

\$5,000,000

SPORTS FACILITIES, L.L.C.
(An USA Limited Liability Company)

50 UNITS @ \$100,000 PER UNIT
1 Unit Minimum Subscription

SPORTS FACILITIES, L.L.C. (the “Company”) is an USA limited liability company which intends to establish and operate an indoor sports and event facility at a site located in Anywhere, USA. The Manager of the Company is PDM Group, L.L.C., an USA limited liability company (the “Manager”).

Each Unit is comprised of one Membership Interest with a Capital Contribution of \$100,000. Membership Interests will receive 90% of Distributions of Net Income, and 100% of all Distributions in excess of Net Income, until the investing Members receive Distributions equal to the full purchase price of their Membership Interests plus a 10% preferred return per year (“Payback”). Members will be allocated 100% of all losses until Payback. The Manager will receive 10% of all Distributions of Net Income until Payback. After Payback, investors purchasing Units in this Offering will receive 50% of all Distributions and the Manager will receive 50% of all Distributions.

The Manager has virtually total managerial powers over the Company; investors will not have the right to approve most of the Manager's decisions.

This investment involves substantial risks (See “Risk Factors”). Interests may be purchased only by Accredited Investors (See “Who May Invest”).

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the sale of Interests, or determined if this Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

The Interests have not been registered under the Securities Act of 1933, as amended (the “Act”), the Securities Act of USA or the securities laws of any other jurisdiction, relying on exemptions from registration provided by Sections 3(b), 4(2) and 4(6) of the Act, Regulation D and other comparable exemptions.

PDM Group, L.L.C.
123 Main Street
Anywhere, USA 11111
The date of this Memorandum is XX/XX/XXXX

CONFIDENTIALITY AGREEMENT

I acknowledge and agree that:

I may not reproduce this Memorandum in whole or in part, distribute it to any person, or divulge any of its contents other than to my investment advisors, without the prior written consent of the Manager.

By accepting delivery of this Memorandum, I agree to return the Memorandum, including each of its parts, and all other documents relating to the Company, to the Manager if I do not purchase any of the Units offered.

RISK FACTORS; LEGENDS

The Offering Of The Units and operation of the Company involve several actual and potential conflicts of interest. A vote of at least 75% of the Membership Interests is required to remove any Manager.

The Company is recently formed and has no operating history. The Company will not own any real estate, but intends to construct its facility on a long-term lease of real estate located in Anywhere, USA.

There is no public market for the Units or Interests, nor is such a market expected to develop.

Securities laws and the Operating Agreement severely restrict the transferability of the Units and Interests.

We give no legal or tax advice to prospective investors in this Memorandum. Each investor should consult his own counsel and accountant as to the legal, tax and other matters concerning this investment.

No person is authorized to give any information or to make any representations other than those contained in this Memorandum, and you must not rely on any information not set forth in this Memorandum. This Memorandum is not an offer or solicitation in any jurisdiction in which such an offer or solicitation may not legally be made. The statements in this Memorandum are made as of its date.

Each prospective purchaser and his advisors, if any, are encouraged to ask questions of, and receive answers from, the Manager concerning the terms and conditions of this Offering and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information in this Memorandum.

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SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information included elsewhere in this Memorandum, including all of its parts (the “Memorandum”), and other information which the Manager may provide at the request of a potential investor.

The Company

SPORTS FACILITIES (the “Company”) is a limited liability company organized under USA law to establish and operate a sports and events facility to be located on a long-term lease in Anywhere, USA, to be known as the SPORTS FACILITY (the “SPORTS FACILITY”). The Company is managed by PDM Group, L.L.C. (the “Manager”).

Company Objectives: The Company intends to obtain a long-term lease on real property and construct, establish and operate a 100,000 square-foot sports and events center. The Company's objectives are to (i) return the Members' capital, and (ii) provide the Members with periodic cash distributions from operations. No assurance can be given that any of these objectives will be achieved. See “Investment Objectives and Policies.”

Company Business:

SPORTS FACILITY: The SPORTS FACILITY will have approximately 100,000 square feet under roof, including:

- a 40,000 square foot gymnasium that may be partitioned into a 25,000 square foot event center for mid-sized trade shows and conventions and corporate team building;
- an open 10,000 square foot mezzanine with aerobics/ dance/spinning rooms, cardiovascular and circuit training equipment and free weights; and
- a first floor with 5,000 square feet of meeting rooms, a catering kitchen and concession area, locker rooms and other space.

Real Property Lease; The SPORTS FACILITY will be located on a site of 10 acres or more, located in Anywhere, USA.

***Proposed Usage;
Strategic Partnerships*** The SPORTS FACILITY will provide a multi-purpose sports facility for basketball and volleyball programs, a health and fitness center, as well as an event center for mid-sized trade shows and conventions and corporate team-building events.

***Manager; Center
Manager:*** The Manager will be responsible for overall operations of the SPORTS FACILITY. The Manager, acting on behalf of the Company, intends to employ a Center Manager to manage day-to-day SPORTS FACILITY operations. The Manager has invested \$150,000 in the Company to date and intends to cover Company expenses until the Minimum Offering is completed. The Manager will receive a management fee and a percentage of Cash Available for Distribution to the Members. See “Manager Compensation.”

The Offering

Form of Offering:	The Units are privately offered pursuant to exemptions from registration afforded by Section 4(2) of the Securities Act of 1933, as amended, and Regulation D adopted thereunder.
The Units; Capital Contributions; Equity Ownership:	The Company will offer to qualified Accredited Investors a Minimum Offering of 10 Membership Units for \$1,000,000 and a Maximum Offering of 50 Membership Units for \$5,000,000 in the Company. Each Unit will have a Capital Contribution of \$100,000, and each investor must purchase a minimum of one Unit for \$100,000. Membership Interests will have limited voting rights. See “Description of the Units.”
Allocations and Distributions:	Until the holders of Membership Interests have received Distributions in an amount equal to their full Capital Contributions plus a 10% preferred return per year (“Payback”), the investors in this Offering will be allocated 90% of Net Income, and Distributions of the Net Income of the Company, as well as 100% of Distributions in excess of Net Income, and 100% of all losses until Payback. After Payback, the investors as a whole will receive 50% of such Net Income or Losses, and Distributions. As a general rule, the Company intends to make Distributions to Members not less frequently than semi-annually. The Manager will determine the adequacy of reserves, which it intends to maintain in line with industry standards, and the amount of any Distribution.
Founding Member Card; Participation in Other Centers:	Each person purchasing Units will receive a “Founding Member Card” which will entitle the Member to a family membership in the SPORTS FACILITY, eligibility for priority seating at special events, and a 25% discount on food, beverages and merchandise. Each person purchasing Units will have a limited right to participate in other sports facilities, if they are developed. See “Description of the Units - Other Benefits.”
Offering Price; Subscription Period:	Each investor must purchase at least 1 Unit for \$100,000 per Unit, although the Manager reserves the right to accept less than the minimum subscription. The Offering of Units will terminate on or before xx/xx/xxxx, unless extended one or more times by the Company, without notice to subscribers, to a date not later than xx/xx/xxxx. Units must be purchased for cash. Each person wishing to purchase Units must complete and execute a Membership Interest Subscription Agreement and deliver it to the Manager.
Plan of Distribution:	The Manager will use its “best efforts” to sell the Units offered; neither the Manager nor its affiliates will receive any compensation, directly or indirectly, relating to the Offering. There can be no assurance that any or all of the Units will actually be sold, and none will be sold unless the Minimum Offering of \$1,000,000 is sold. The Company reserves the right to enter into selling agreements with registered broker-dealers that will be paid a commission of up to 10% of the selling price of Units sold. See “Terms of the Offering.”

Anticipated Use of Proceeds	The Company will use proceeds of the Offering, less expenses, to lease, plan and prepare the SPORTS FACILITY site, construct the SPORTS FACILITY and related improvements, conduct a marketing program and promote the SPORTS FACILITY, and for initial working capital. If only the Minimum Offering is sold, the use of proceeds will differ significantly than if the Maximum Offering is sold. All expenses in connection with this Offering, including among other expenses, printing, mailing and marketing expenses and legal and accounting fees, will be paid by the Company from Offering proceeds. See “Use of Proceeds.”
Temporary Investments:	The Company may invest the net proceeds of the Offering in temporary investments, including short-term government securities, until funds are needed for tenant improvements or operating expenses.

Manager Background and Compensation

Manager; Center Manager:	The Company will be managed by PDM Group, L.L.C. The Manager will be responsible for all operational decisions for the Company, including employing a Center Manager for the SPORTS FACILITY who will be responsible for day-to-day management of the SPORTS FACILITY. See “The Manager.”
Manager Investment and Fees:	The Manager has invested \$150,000 in the Company to date, and intends to cover Company expenses until the Minimum Offering is completed. For services rendered in organizing the Company and for providing management services to the Company, the Manager will receive an ongoing management fee equal to 3% of gross revenues of the Company. See “Manager Compensation.”
Development Fee To Affiliate	For services in the organization and development of the SPORTS FACILITY project, TGG, Inc., which is an affiliate of the Manager, will receive a \$400,000 development fee from the Company.
Equity Ownership; Payback; Manager's Interest:	The Manager currently is the sole Member of the Company. The Manager will be allocated 10% of Net Income until Payback; thereafter, the Manager will be allocated 50% of the Company's Net Income, Losses, and Distributions. See “Manager Compensation.”
Expenses:	The Company will bear its general and administrative expenses, including legal, accounting, filing, reporting and data processing expenses, and expenses of the Offering. The Company's expenses of the Offering are estimated at \$50,000 to \$80,000.

Risk Factors

An investment in the Units is speculative and subject to a high degree of risk. The risks of an investment in the Company are described in detail under “Risk Factors” beginning at page 5 . Those risks include, but are not limited to:

- The Company intends to engage in the business of leasing property and developing and operating the SPORTS FACILITY as a sports and events center; the business is extremely risky;
- The Company is newly formed, and has no operating history;
- Monthly fees will be paid to the Manager, irrespective of performance;
- The Company is subject to certain conflicts of interest with the Manager; and
- Lack of liquidity (possible inability to transfer or liquidate Units).

Additional Information

If you want more information, contact the Manager as follows:

PDM Group, L.L.C.
123 Main Street
Anywhere, USA 11111

At your request, the Manager will allow you to review documents or information referred to in this Memorandum. See “Additional Information.”

FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Memorandum, including information incorporated by reference, discuss future expectations, contain projections of results of operation or financial condition or state other “forward-looking” information. Those statements are subject to known and unknown risks, uncertainties and other factors, certain of which are beyond the Company's control, that could cause the actual results to differ materially from those contemplated by the statements. The forward-looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward-looking information contained in this Memorandum will in fact transpire or prove to be accurate.

Important factors that may cause the actual results to differ include, for example,

- the Company's ability to obtain a long term lease on acceptable terms;
- the Company's ability to obtain and service construction loans and permanent financing for the SPORTS FACILITY project on terms and conditions acceptable to the Company;
- the success or failure of the Manager's efforts to develop and open the SPORTS FACILITY on schedule;
- the Company's ability to attract, build and maintain a clientele;
- the Company's ability to attract and retain a Center Manager and other quality employees;
- the effect of changing economic conditions;
- other risks which are described under “Risk Factors” and which may be described in future communications to the Members. The Company does not promise to update forward-looking information to reflect actual results or changes in assumptions or other factors that could affect those statements.

RISK FACTORS

An investment in the Company is speculative, and should be considered only by those persons who are able to afford to lose their entire investment. You should carefully consider the following risks in evaluating the Company and its proposed business before purchasing Units.

No Company History

The Company is recently formed, and consequently has no operating history.

Risks of Sports Center Ownership & Operation

General Risks.

The business of developing and operating a sports and event facility is subject to numerous inherent risks, including adverse changes in general or local economic conditions, rental rates and other operating expenses, governmental rules and fiscal policies and other factors beyond the control of the Manager. Although the Company intends to obtain comprehensive general liability insurance coverage for the SPORTS FACILITY, certain losses, such as catastrophic events, may be uninsurable, not economically insurable, or exceed the Company's limits for coverage.

Competition.

The youth sports and convention/meeting business is highly competitive, and there are other facilities that will compete with the SPORTS FACILITY for sports and/or events business. The health and fitness facility business is extremely competitive. There is no assurance that the SPORTS FACILITY will be able to compete successfully in any or all of these areas. In addition, when compared to investments generally, a sports and events facility is a high risk investment. Numerous factors will determine success or failure of the SPORTS FACILITY, including its location, concept, and the skill and experience of its management. The success of a sports and events facility is subject to trends in the popularity of sports, and changes in public opinion and taste which are unpredictable and subject to change. Since the SPORTS FACILITY will be developed as the first facility to implement the Company's own concept, its results are speculative. For example, events not within the control of the Company, such as a change in sports or meeting trends to which the Company does not respond, negative publicity with respect to youth sports, or other factors could have a material adverse effect on the profitability of the SPORTS FACILITY. Although the Manager believes that the SPORTS FACILITY concept will be attractive to the public, we cannot assure you that the SPORTS FACILITY will succeed.

Lease Risks.

We have not yet signed a lease. We have investigated several sites, and are negotiating for long-term leases on two sites. We require that the lease for the SPORTS FACILITY will be long-term – probably 65 years – and we expect that monthly rent will be payable whether or not operations are profitable. We anticipate that the lease payments will begin as soon as six months after final lease approval or the granting of the first building permit for the SPORTS FACILITY facility, whichever is earlier. We expect that rent will increase at regular intervals throughout the lease term, irrespective of the success of SPORTS FACILITY operations.

Construction-Related Risks

Once construction of the SPORTS FACILITY has commenced, the Company will be subject to the particular risks associated with construction, such as the risk of unanticipated delays in, and/or increases in the costs of, development and construction. These delays and cost increases may result from factors beyond the control of the Manager, including, among other things, shortages and increases in the costs of labor and materials. See “Use of Proceeds” and “Business Plan.” If less than the Maximum Offering is sold, the portion of Offering proceeds to be set aside for working capital purposes may not be sufficient to fund excess construction costs, if any, which may have to be funded from loans or contributions from other sources. We cannot assure that other sources would be available or, if available, would be on terms, including interest rates, favorable to the Company.

Loan Risks

Our projections anticipate that the Company will be able to obtain a construction loan and permanent financing, which would repay the construction loan, on terms and conditions satisfactory to the Company. If such financing is not available for any reason, the Company would have to obtain alternative funding on such terms as may be available, which could adversely affect the Company. If such financing is not available at all, the Company may not be able to complete the SPORTS FACILITY. Failure to repay loans could result in foreclosure, and a loss by the Company of the project.

Limited Capital

Most of the proceeds of this Offering will be used to construct the SPORTS FACILITY and to pay development and pre-opening costs. If only the Minimum Offering, or significantly less than the Maximum Offering, is sold, the use of proceeds will be significantly different and the facility design may be altered. See “Use of Proceeds” and “Business Plan.” We cannot assure that the portion of Offering proceeds to be set aside for working capital purposes, together with cash from the operation of the SPORTS FACILITY, will be sufficient to support the SPORTS FACILITY, or that additional funds will be available at all or on terms, including interest rates, favorable to the Company.

Limited Liability

Members are generally not personally liable for obligations of a limited liability company in excess of the sum of their capital contributions. However, Members may be required to return an amount not in excess of the capital returned to them (with interest) if necessary to discharge the claims of creditors who extended credit to the Company prior to the return of such capital.

Financial Projections

The financial projections included in the Business Plan, which is Part B of this Memorandum, were prepared by the Manager and TGG, Inc., based on information and assumptions they believed to be reasonable. The projections were not compiled, reviewed or audited by independent certified public accountants. Those projections reflect only the Manager's current expectation of likely results. There will be differences between projected results and actual results, because events and circumstances frequently do not occur as expected, and differences can be material. Projected benefits to Members may also vary and there can be no assurance that the results shown in the attached projections will be realized in whole or in part. **Neither the Manager, its Members nor their affiliates or professional advisers guarantee or warrant the projected results. Projections are “Forward Looking” Information.** See “Forward Looking Statements.”

Governmental Regulation

The Company's business activities will be subject to the jurisdiction of a variety of regulatory authorities, including federal, state, tribal, county and municipal agencies administering laws and regulations relating to health, labor, taxation, and alcoholic beverage sales. There can be no assurance that the licenses and permits needed for the operations of the SPORTS FACILITY can be obtained or maintained.

**Dependence on
Manager and Center
Manager**

A Center Manager hired by the Manager will oversee the day-to-day operation of the SPORTS FACILITY. The inability of the Manager to hire and retain a qualified Center Manager, particularly during our early development, could have a material adverse impact on the Company. None of the members of the Manager will devote substantially all of his time to the operations of the SPORTS FACILITY. See “The Manager.”

**Dependence on Fitness
Club Business**

We expect that a significant portion of the Company’s revenues will be derived from fitness club fees paid by fitness members of the SPORTS FACILITY. The fitness club business is highly competitive, and we cannot assure you that we will successfully compete in that business.

**Dependence on
Meeting and Team
Building Business**

Profitability of the SPORTS FACILITY will depend in part on our ability to attract and maintain corporate meetings and team building activities. While we believe that we can attract and maintain that business, we cannot assure that we will do so.

**Control by, and
Reliance on, the
Manager and its
Members**

All decisions with respect to the management of the Company will be made exclusively by the Manager, PDM Group, L.L.C. Members will have extremely limited rights and powers to take part in the management of the Company. No person should purchase Units unless he or she is willing to entrust all aspects of the management of the Company to the Manager, including the ability to hire and supervise the Center Manager (even though with respect to certain types of management decisions the Manager or its members may have interests that conflict or compete with those of the Company), and has evaluated the Manager's capabilities to perform such functions. See “Conflicts of Interest,” and “The Manager.”

**Trademarks and
Service Marks**

The Company is in the process of designing and selecting logos and service marks to identify the SPORTS FACILITY and its services, as well as its merchandise. Currently the Company owns no trademarks or service marks, and there can be no assurance that the Company will develop, utilize or legally protect any particular distinctive logos or service marks.

Conflicts of Interest

*Compensation from
the Company.*

The Manager and/or its Affiliates will realize certain compensation described in this Memorandum irrespective of the overall profitability of the Company. Fees payable to the Manager and/or its Affiliates, while believed by the Manager to be not more than normal and customary, have not been the result of arm's length negotiations. See “Use of Proceeds,” “Manager Compensation” and “Conflicts of Interest.”

Other Facility Ventures.

The Manager and its members in the future may be engaged in the sports and events facility business for their own accounts and for others; however, they have agreed not to be involved in or affiliated with a similar business within a ten-minute drive of the SPORTS FACILITY until Payback. The Manager may develop similar SPORTS FACILITYs inside or outside the Anywhere, USA metropolitan area which have an SPORTS FACILITY name, and each Member purchasing Units will have a limited right to participate in any such facilities. Furthermore, the members of the Manager are required to devote only so much of their time to the business of the Company as they, in their sole discretion, deem advisable, subject to their fiduciary duties. See “Conflicts of Interest” and “Description of the Units - Other Benefits.”

Return of Distributions

Except as provided under the Operating Agreement or by USA law, a Member will not be personally liable for any debts or losses of the Company beyond the amount of his Capital Contribution and profits attributable to the Member remaining in the Company, if any. The Operating Agreement prohibits the Company from making any distribution to a Member to the extent that at the time of the distribution and after giving effect to the distribution, all liabilities of the Company, other than liabilities to Members on account of their Membership Interests and liabilities for which the recourse of creditors is limited to specified property of the Company, exceed the fair value of the assets of the Company. For purposes of this limitation, the fair value of property that is subject to a liability for which recourse of creditors is limited will be included in the assets of the Company only to the extent that the fair value of the property exceeds that liability. A Member who receives such a prohibited distribution and who knew at the time of the distribution that the distribution violated the Operating Agreement is liable to the Company for the amount of the distribution for a period of up to six years from the date of the distribution. The liability described above will not affect any obligation or liability of a Member under the Operating Agreement or other applicable law for the amount of a distribution.

Offering Risks

*“Best Efforts”
Private Placement;
No Underwriter*

The Units are being offered for sale by the Manager on a “best efforts, all or none” basis as to the first 100 Units, and on a “best efforts” basis as to the remaining 400 Units. No assurance can be given that the Manager will be able to sell any Units, or more than the Minimum Offering, in which case funds may be at a greater risk than if the Maximum Offering were sold. In addition, the Manager has reserved the right to enter into selling agreements with registered broker-dealers, to whom it may pay an 10% selling commission. See “Use of Proceeds” and “Terms of the Offering.”

*Arbitrary Offering
Price.*

There is no market for the Company's Units, and the price of the Units offered bears no relationship to the assets, book value, net worth or any other recognized criteria of value of the Company. The offering price of the Units was determined arbitrarily by the Manager, and should not be considered as an indication of the actual value of the Company. In determining the offering price, the members of the Manager considered, among other things, the development stage of the Company, its limited financial resources, and the risk of investing in the Company.

*Investment by
Affiliates; Management
Fee.*

The Manager, its members and other Affiliates may purchase Units in the Offering on the same basis as any other investor. These persons could purchase Units to cause the Company to reach the Minimum Offering, and their interests may not necessarily reflect the interests of other investors. If the Minimum Offering is sold, the Manager will be entitled to receive a monthly management fee equal to 3% of gross revenues of the Company. See "Manager Compensation" and "Use of Proceeds."

*Lack of Transferability
of Interests.*

The Interests offered are not, and are never intended to be, freely transferable. The Membership Interests have not been registered with the Securities and Exchange Commission, the Securities Division of the USA Corporation Commission, or under any other state "blue sky" laws. No transfer of Interests may be made without the approval of the Manager. Furthermore, counsel for the Company must receive a satisfactory opinion that any proposed transfer is not inconsistent with the requirements of applicable federal and state securities laws. It is not anticipated that any market for the Units or Interests will develop, or that the holders of Units or Interests will be able to readily liquidate their investments in the event of an emergency or for other reasons. Interests should be purchased only as a long-term investment.

*Private Placement
Exemptions.*

Interests in the Company are being offered to investors pursuant to the private placement exemptions from registration provided in the Securities Act of 1933, as amended, and the regulations promulgated thereunder. If the Company should fail to comply with the requirements of such exemptions, the Members would have the right to rescind their purchase of Interests if they so desired. This might also occur under the applicable state securities law or laws in those states where Interests may be offered without registration under a private placement or other exemption. If a number of Members were to successfully seek rescission, the Company would face severe financial demands which could adversely affect the Company as a whole and, thus, the non-rescinding Members.

Tax Risks

Extent of Tax Liability.

In any taxable years in which the activities of the Company generate income in excess of deductible expenses, a Member will be required to report his share of income on his personal income tax return even though during such year he may have received no Distributions, or Distributions in an amount less than the amount of income which he is required to report. Accordingly, a Member may be required to pay income taxes with respect to income or gain allocated to such Member, even though the Member received no or a limited cash distribution with respect to such income or gain.

No Guarantee of Tax Benefits

The Manager anticipates that certain tax benefits, such as deductible indebtedness, may be available to Members. However, the Company does not intend to obtain an expert opinion or advance ruling from the IRS as to any tax benefits, and cannot guarantee that any tax benefits will be available to any investor.

Complexity of Tax Treatment.

The Company has been formed as a limited liability company under USA law, and the Manager intends that the Company will be taxed as a partnership and the Members as partners. Federal income taxation of partners and partnerships is complex and is subject to possible modification by legislative, judicial and administrative action. There can be no assurance that the present federal income tax treatment of an investment in the Company may not be modified or eliminated by legislative, judicial or administrative action at any time. Any audit of the Company's information returns or the audit of any Member's tax return may lead to audit of the return of other individual Members.

Nature of Investment;

The current deductibility by a Member of his allocable share of Company indebtedness, if any, or other items of loss or expense, will depend on the characterization of the Company's activities. The Company is designed to generate income from operating the SPORTS FACILITY. The characterization of the Company's activities as investment activities, or as a trade or business is a factual determination based on all relevant facts and circumstances. Accordingly, each potential investor should confer with his individual tax adviser to determine whether, and to what extent, the investment interest limitations and limitations on losses from passive activities will apply with respect to an investment in the Company.

*Members' Tax
Returns.*

The federal income tax information sent to each Member by the Company following the close of each calendar year will be based in certain cases on interpretations of data compiled from the books and records of the Company. The Manager will endeavor in good faith to adhere to current income tax regulations, interpretations and precedents and will consult with independent public accountants and tax counsel to the extent deemed appropriate by the Manager in compiling the tax information to be sent to the Members. However, the amounts of income, gain, loss, deductions, credits or allowances reported by each Member for his individual income tax returns on the basis on such tax information might, in the event of an audit, vary from the amounts ultimately determined or allowed by the IRS or by the courts.

*No Ruling: No
Formal Opinion of
Counsel.*

The tax and economic benefits anticipated to be derived from an investment in Units depend, in part, upon the Company being treated as a partnership for federal income tax purposes rather than as an association taxable as a corporation. Under current regulations, the Manager will file an election to be taxed as a partnership; however, the Manager will not seek either a formal opinion of counsel or a ruling from the IRS regarding whether the Company will be treated as a partnership rather than as an association. Classification of the Company as an association for tax purposes would materially adversely affect the economic consequences of an investment in the Company.

Investors must look to their own tax advisors regarding the tax implications inherent in the Company and its operation, the income, deductions or tax credits which may be generated by the Company, and the impact the investment will have on their personal tax situations. No tax advice is given in this Memorandum.

USE OF PROCEEDS

The Company intends to utilize the proceeds of this offering generally as is set forth below. If the Minimum Offering (or significantly less than the Maximum Offering) is sold, expenditures will differ significantly. See “Business - The SPORTS FACILITY.”

Total Funds Raised	Minimum	<u>%</u>	Maximum	<u>%</u>
Total Funds Raised	XXXXX	XXXXX	XXXXX	XXXXX
Sales Commissions (1)	XXXXX	XXXXX	XXXXX	XXXXX
Organization and Offering Expenses (2)	XXXXX	XXXXX	XXXXX	XXXXX
Net Proceeds	XXXXX	XXXXX	XXXXX	XXXXX
Lease Acquisition Costs	XXXXX	XXXXX	XXXXX	XXXXX
Construction Costs	XXXXX	XXXXX	XXXXX	XXXXX
Construction Loan Fees (3)	XXXXX	XXXXX	XXXXX	XXXXX
Construction Loan Interest	XXXXX	XXXXX	XXXXX	XXXXX
Architectural/Engineering/Design Fees	XXXXX	XXXXX	XXXXX	XXXXX
Furniture, Fixtures & Equipment	XXXXX	XXXXX	XXXXX	XXXXX
Development Fee (4)	XXXXX	XXXXX	XXXXX	XXXXX
Pre-Opening Expenses	XXXXX	XXXXX	XXXXX	XXXXX
Working Capital	XXXXX	XXXXX	XXXXX	XXXXX
TOTAL AVAILABLE FOR COMPANY PURPOSES	XXXXX	XXXXX	XXXXX	XXXXX

- (1) The offering of the Units is being made by the Manager on a “best efforts, all or none” basis as to the first 100 Units and on a “best efforts” basis as to the remaining 400 Units. The Manager and its Affiliates will not receive any commissions or other compensation relating to the sale of Units. The Company may enter into Selling Agreements with licensed securities dealers, who may receive finders fees or commission of up to 8% of the price of Units sold by them.
- (2) All expenses of the offering, including those for accounting, printing, legal and other fees, and costs in connection with the organization of the Company (estimated at \$50,000 to \$80,000), will be paid by the Company from Offering proceeds. The Offering will terminate on or before xx/xx/xxxx unless extended one or more times by the Company, without notice to subscribers, to a date not later than xx/xx/xxxx (the “Termination Date”). The Manager and its Affiliates may subscribe for Units in this Offering, but they have no obligation to do so. If, at any time prior to the Termination Date,

subscriptions for the Minimum Offering of \$1,000,000 have been received and accepted by the Company (which may include subscriptions from the Manager and its Affiliates), then the Company may have an initial closing with respect to such accepted subscriptions and continue the Offering until the Maximum Offering of \$5,000,000 is sold, or until the Termination Date, whichever first occurs. If, by the Termination Date, subscriptions for the Minimum Offering have not been received and accepted by the Company, the Offering will be terminated and all subscription proceeds will be promptly returned to subscribers, without interest or deduction. Until the Minimum Offering has been subscribed for and accepted by the Company, all subscription proceeds will be held in an escrow account established by the Company at a financial institution in Anywhere, USA.

- (3) Assumes that the Company can obtain a construction loan in the principal amount of (a) \$14,000,000 if the Minimum Offering is sold, or (b) \$10,000,000 if the Maximum Offering is sold. The loan would have a one-year term, and bear interest at the rate of 8.75% per year. The Company also assumes that it can obtain permanent financing bearing interest at the rate of 6.75% per year, which will be amortized over 25 years to pay off the construction loan.
- (4) Paid to TGG, Inc., an Affiliate of the Manager.

BUSINESS

Information regarding the proposed activities of the Company is contained in Part B of this Memorandum, "Business Plan." Other, more detailed, information may be obtained from the Manager. Additional documents may be reviewed by contacting the Manager.

Government Regulations

The SPORTS FACILITY will be subject to the jurisdiction of a variety of regulatory authorities, including federal, state, county and Indian Community agencies administering laws and regulations relating to health, sanitation and safety standards, labor, taxation, and the sale of alcoholic beverages. Currently, the sale of alcohol in the Indian Community is prohibited. The inability of the Company to obtain a license to serve beer and wine in the SPORTS FACILITY could adversely affect the Company's operations. Any food and beverage service in the SPORTS FACILITY will also be subject to periodic inspection by the County Department of Public Health. While the Company does not anticipate any difficulties in obtaining and maintaining all necessary licenses and permits for the operation of the food and beverage service in the SPORTS FACILITY, there can be no assurance that all necessary licenses and permits for the operation of the food and beverage service can be obtained or maintained.

Employees

The Company anticipates that it will hire the equivalent of approximately 56 full-time employees to work in the SPORTS FACILITY, including supervisory personnel, and maintenance personnel.

COMPANY OWNERSHIP

The Manager has invested \$150,000, and currently owns all of the Membership Interests in the Company.

Ownership

Ownership of the Company currently, and as it will be if the Minimum and Maximum Offering is sold, is as follows:

	<u>Current</u>	<u>Minimum</u>	<u>Maximum</u>
PDM Group, L.L.C. (1)	100.0%	50.0%	50.0%
Investors in Offering	--	<u>50.0%</u>	<u>50.0%</u>
Total		<u>100.0%</u>	<u>100.0%</u>
Minimum 1-Unit Investor	--	<u>0.7%</u>	<u>0.5%</u>

(1) *PDM Group, L.L.C.* is the Manager of the Company.

THE MANAGER

The Company is managed by its Manager, ***PDM Group, L.L.C.***, which has the power to make virtually all business decisions for the Company. However, the consent of the Manager and a majority or more of the Members' Interests will be required in order to (i) sell, lease, exchange, encumber, or dispose of all or substantially all of the Company's assets, or merge the Company with or into another entity; (ii) do any act which will make it impossible to carry on the ordinary business of the Company or to materially change the business of the Company; or (iii) amend the Company's Articles of Organization, except in certain circumstances more particularly described in the Operating Agreement. A vote of 75% or more of the Members' Interests will be required to remove the Manager and elect a successor manager.

Information about each of the members of the Manager is contained on page 27 of the Business Plan.

FIDUCIARY RESPONSIBILITY OF THE MANAGER AND ITS MEMBERS

The Manager and its members are accountable to the Company as fiduciaries and consequently must exercise good faith and integrity in handling Company affairs. The Operating Agreement provides that no Manager will have any liability to the Company for a mistake or error of judgment or for any act or omission believed to be within the scope of authority conferred on it by the Operating Agreement unless such mistake, error of judgment or act or omission was made, performed or omitted by such Manager fraudulently or constituted gross negligence or breach of fiduciary duty. The Operating Agreement also provides for indemnification of the Manager and its members by the Company for certain liabilities which the Manager incurs in dealings with the Company and third parties on behalf of the Company. To the extent that the indemnification is for liabilities arising under the Securities Act of 1933, in the opinion of the Securities and Exchange Commission, such indemnification is contrary to public policy and is, therefore, unenforceable.

The Manager has broad discretionary powers to manage the business and affairs of the Company under the USA Limited Liability Companies Act. Generally, actions taken by the Manager are not subject to a vote or review by the Members except to the extent provided in the Operating Agreement. A Majority Vote is required to remove any Manager.

MANAGER COMPENSATION

The Manager will receive compensation as follows:

Management Fee. The Manager will receive a monthly management fee equal to 3% of gross revenues of the Company for concept development, name usage and ongoing executive management.

Equity Interest. The Manager will be entitled to receive 10% of the Distributions of net income of the Company until Payback. After Payback, the Manager will receive 50% of profits and Distributions.

Expenses. The Manager will be reimbursed for its direct reasonable business expenses incurred for the benefit of the Company.

Development Fee. TGG, Inc., will receive a \$400,000 development fee from the Company. This fee will be paid for services rendered to the Company in connection with planning, supervising and completing construction of the SPORTS FACILITY.

CONFLICTS OF INTEREST

The following inherent or potential conflicts should be considered by prospective investors before subscribing for Units:

Management Fee. The Manager will be paid a monthly management fee of 3% of gross revenues of the SPORTS FACILITY, whether or not the Company is profitable.

Other SPORTS FACILITIES. Although the Company has an exclusive right to the SPORTS FACILITY concept in Anywhere, USA, the Manager has the right to use that concept throughout the United States. The Manager could develop facilities with the Company's concept in other markets, and the Company will have no right to participate in those other locations. The Manager will offer Members purchasing Units the opportunity to participate in such other ventures using the SPORTS FACILITY concept to the extent that such ventures seek to raise funds from private or public investors in amounts or minimum subscriptions of less than \$100,000. Members will be offered participation at the same time, and on the same terms and conditions, as are offered to such other investors.

TAX ASPECTS

Investors must look to their own tax advisors regarding the tax implications inherent in the Company and its operation, the income or deductions generated by the Company, and the impact the investment will have on their personal tax situations. No tax advice is given in this Memorandum.

SUMMARY OF THE OPERATING AGREEMENT

The following is a summary of some of the principal terms and provisions of the Operating Agreement. Certain topics are addressed elsewhere in this Memorandum, and this and other summaries are not intended to be exhaustive. They are qualified in their entirety by reference to the Operating Agreement, a copy of which is included in Part C of this Memorandum. Investors and their representatives should examine the Operating Agreement carefully.

Term

The Company was formed on xx/xx/xxxx, and will continue in perpetuity unless terminated in accordance with the terms of the Operating Agreement.

Members

PDM Group, L.L.C. is the Manager and the initial Member of the Company. A Minimum Offering of 100 Units and a Maximum Offering of 500 Units will be sold to “accredited” investors as that term has been defined by the Securities and Exchange Commission in Regulation D. Purchasers of the Units will become Members in the Company. The Manager or its Affiliates may also purchase Units and become Members.

Capital Contributions; No Assessments

Each Member purchasing Units in the Offering must purchase at least 1 Unit for a total of \$100,000. Each Member shall contribute \$100,000 per Unit to the Company, which shall be paid in cash or other immediate funds. See “Terms of the Offering.” No Additional Capital Contributions or Assessments will be required.

All funds or other property received by the Manager or the Company from an existing or prospective Member for the purchase of a Unit must be received in the name of the Company.

Management

The Manager is solely responsible for making virtually all decisions for the Company, including conducting its day-to-day operations. Membership Interests are able to vote only on selected issues permitted by the Operating Agreement. Members will not take part in the day-to-day management of the Company, and except where expressly provided otherwise in the Operating Agreement, no consent or approval of the Members is required for any action taken by the Manager or the Company. See “Voting Rights of Members” below. The Manager has broad and extensive powers to manage the Company. The Manager also has the duty, at the Company's expense, to cause to be maintained accurate books and records and to furnish monthly investment reports, annual accounting reports and annual income tax information to the Members. The Manager intends to utilize methods of accounting and keep the Company books on a tax basis which will present financial information about the Company which the Manager believes is most accurate.

Account Statements

Each Member will be provided, not less frequently than annually, with an annual report containing financial statements for the Company prepared by an independent public accountant.

Transfers

The transfer of Units is severely restricted by the Operating Agreement. No Member may transfer his Interests without the consent of the Manager, as well as furnishing the Manager with a satisfactory opinion of counsel to the effect that such action will not cause the Company to violate the Securities Act of 1933, as amended, or the “blue sky” laws of any state. No assignee of a Member will have any rights with respect to the Company unless the assignee becomes a substituted Member of the Company, which requires approval of the Manager.

Liquidation and Final Distribution

Upon dissolution of the Company, the Manager is required to wind up its affairs and to sell all assets of the Company. After paying all present liabilities of the Company, placing an amount determined as sufficient by the Manager into an escrow account to cover future or contingent liabilities of the Company, and after repaying any loans to the Company made by any Member, all remaining proceeds will be distributed to the Members in the order provided in Article IX of the Operating Agreement.

Other Businesses

Under the Operating Agreement, any Member or Manager may, either directly or indirectly, own or invest in any other business of any type, even though the same may compete with the Company, and neither the Company nor any Member shall have any rights in or to such other property or business or the income therefrom.

Maintaining Property

The Manager will not commingle property of the Company with the property of any other entity or person.

Limitation on Manager's Liability

No Manager is liable to the Members for any act or failure to act within the scope of his authority if done on the advice of the Company's legal counsel or if done in good faith to promote the best interests of the Company, and is indemnified by the Company for any loss incurred in connection with such act or failure to act. However, to the extent that the indemnification provisions of the Operating Agreement purport to include indemnification for liabilities incurred under the Securities Act of 1933, as amended, in the opinion of the Securities and Exchange Commission such indemnification is contrary to public policy and therefore unenforceable.

Liability of Members

No Member is liable for Company debts or liabilities in excess of his Capital Contributions, except that any Member receiving a return of all or any part of his Capital Contributions may be liable, to the extent required by law, for the amount returned to the extent necessary to discharge liabilities to creditors who extended credit or whose claims arose before such return and before the Operating Agreement is amended to reflect such return.

Voting Rights of Members

Investors holding Membership Interests have the right to vote only upon the following matters, each of which requires a majority vote of the Interests, except for the removal of the Manager, which requires a vote of at least 75% of the Interests:

- (a) Amendment of the Operating Agreement;
- (b) Approval of the sale, exchange or other disposition of all, or substantially all, of the Company's assets in a single transaction or plan;

- (c) Election of a successor or additional Manager;
- (d) Continuation of the Company upon loss of a Member; and
- (b) Removal of any Manager, with or without cause, by a vote of 75% of Investors' Units.

DESCRIPTION OF THE UNITS

General

The Units offered represent Membership Interests in the SPORTS FACILITY, L.L.C., an USA limited liability company. Holders of Membership Interests have certain limited voting rights with respect to only those matters which are required to be submitted to a vote of the Members. Holders of Units also have rights to certain allocations and distributions. Such voting, allocation and distribution rights are based upon the number of Units outstanding. No Member has any preemptive rights. The ownership of Interests will not subject a Member to any personal liability for Company expenses, obligations or liabilities (except as set forth under "Summary of the Operating Agreement - Liability of Members"). Transferability of all Units will be severely restricted, suitability standards for original investors will apply to any transfer, and no transferee may become a substituted Member without the approval of the Manager and a Majority-in-Interest of the Members. See "Risk Factors" and "Summary of the Operating Agreement."

Members' Return

Members will be allocated all net profits and losses of the Company from operations, or from liquidation of the business, less only fees paid to the Manager, including royalties and expenses.

Distributions

The Manager anticipates making Distributions from the Company in any year not less frequently than semi-annually. The Manager may, in its sole discretion and from time to time, distribute to the Members that portion, if any, of the Company's cash funds and other property, after the payment of expenses and the making of all other expenditures which the Manager determines to be in excess of the Company's working capital needs and such reserves as the Manager deems appropriate for the fixed and contingent obligations of the Company.

Membership Interests will be allocated 90% of all Distributions of Net Income, plus all Distributions in excess of Net Income, if any, until holders of the Membership Interests have received Distributions equal to the Capital Contributions paid for those Membership Interests plus a 10% preferred return per year ("Payback"). Interests will also be allocated 100% of any losses which the Company may generate prior to Payback. After Payback, Membership Interests will be allocated 50% of all Distributions, losses and tax credits.

Any Distributions will be made to the Members and the Manager according to their respective Capital Percentages. On liquidation of the Company (i) all Members must contribute to the Company an amount equal to their respective negative Capital Account balances, but the obligation of a Member is limited to the amount of any unpaid Capital Contributions or as required by law, and (ii) all distributions will be made in accordance with the positive Capital Account balances of the Members.

Upon the dissolution of the Company, the Manager shall proceed promptly to wind up the business and affairs of the Company, and shall sell the assets of the Company in a commercially reasonable manner. When the winding up of the Company's business and affairs is completed, the Company shall pay all of the present liabilities of the Company other than liabilities to the Members, then transfer an amount determined by the Manager into an escrow account in the Company's name to cover future and/or contingent liabilities of the Company, and lastly repay in full both the principal and interest owed by the Company on any loans made by a Member to the Company. Any proceeds remaining thereafter shall, to the extent of the Members' positive Capital Account balances, be distributed to the Members in the ratio that each Members' Capital Account bears to the Capital Accounts of all other Members until all of such balances have been reduced to zero. Any proceeds remaining thereafter shall be distributed in the order of priority set forth below.

Allocation of Net Income and Net Losses

At the end of each fiscal year, Net Income, Net Losses, and tax credits of the Company shall be allocated among the Members as provided in Article III of the Operating Agreement.

All allocations of Net Income and Net Losses are subject to special allocations pursuant to Treasury Regulations promulgated under Code Section 704(b). See the Operating Agreement included as Part B of this Memorandum.

Other Benefits

Founding Member Card. Each person purchasing Units will receive a "Founding Member Card" which will entitle the Member to a family membership, eligibility for priority seating at certain events, and a 25% discount on food, beverages and merchandise.

Right to Participate. If the Manager is involved in a venture utilizing the Company's SPORTS FACILITY concept which seeks to raise funds from private or public investors in amounts or minimum subscriptions of \$100,000 or less, the Manager will offer Members the opportunity to participate in such venture at the same time, and on the same terms and conditions, as are offered to such other investors.

TERMS OF THE OFFERING

The Company, through the Manager, is offering 500 Units on a "best efforts all-or-none" basis as to the first 100 Units, or \$1,000,000 of gross proceeds, and on a "best efforts" basis as to the remaining 400 Units for an aggregate of \$5,000,000. The Manager and its Affiliates will not receive any commissions or other compensation relating to the sale of Units. The Company may enter into Selling Agreements with licensed securities dealers, who may receive finders fees or commission of up to 10% of the price of Units sold by them. The minimum investment is \$100,000 (1 Unit), although the Company reserves the right to accept subscriptions for less than \$100,000. The Units are offered subject to the right of the Company to reject, in its sole discretion, any subscription for any reason.

The Offering will terminate on or before XX/XX/XXXX, unless extended one or more times by the Company without notice to offerees to a date no later than XX/XX/XXXX (the "Termination Date"). If, at any time prior to the Termination Date, subscriptions have been received and accepted in the Minimum Offering then from time to time any funds subscribed may be paid over to the Company and the Offering may be continued until the Maximum Offering is sold or the Termination Date, whichever occurs first. As Units are purchased, the Operating Agreement will be amended and the investors subscribing for Units will be admitted as Members. Although they are not required to, the Manager and its Affiliates may participate in the Offering and, accordingly, they could make purchases of Units which cause the Company to reach the

Minimum Offering. If, by the Termination Date, subscriptions for the Minimum Offering have not been received and accepted by the Company, the Offering will be terminated and all subscription proceeds (not accepted by the Company on the Termination Date) will be promptly returned to subscribers without interest thereon or deduction therefrom. Until subscriptions for the Units being offered have been received and accepted by the Company, all subscription proceeds will be held in a non-interest bearing escrow account established by the Company at a financial institution in Anywhere, USA area.

How to Subscribe

Any investor who wishes to purchase Units of Membership Interest should deliver the following documents to the Company:

1. One dated and executed Membership Interest Purchase Agreement; and
2. A check payable to the order of “SPORTS FACILITY” in the amount subscribed.

LIMITED OFFERING

The Units offered by this Limited Offering Memorandum have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), nor under any state securities law, in reliance upon exemptions for transactions not involving a public offering.

Regulation D, adopted by the Securities and Exchange Commission under the Securities Act, is designed to provide a safe harbor exemption for limited offers and sales of securities. This limited offering is designed to comply with Rule 506 of Regulation D which, among other things, provides that:

- (a) The purchaser of Units must be an “accredited investor” as defined in Regulation D; and
- (b) The purchaser must be purchasing for his own account and not with a view to resale or distribution of the Units.

Written representations will be made to the Company concerning each of the above matters and certain other relevant information. Subject to the provisions of Regulation D, sales of Units will be made to an unlimited number of accredited investors. Certain additional suitability standards have been adopted by the Company which must be met by a prospective purchaser in order to purchase Units. See “Who May Invest.”

WHO MAY INVEST

Purchase of the Units offered hereby is suitable only for persons who are “accredited investors” of adequate financial means who have no need for liquidity in this investment.

Accredited Investor Suitability Standards

The Company will conduct the offering in such a manner that the Units may be sold only to accredited investors, as that term is defined in Regulation D promulgated under the Securities Act of 1933.

A person is an “accredited investor” if that person falls within at least one of eight categories described in Regulation D. Accredited investors include, among others: (a) Qualified Trusts which are

managed by a fiduciary which is a bank, insurance company, or registered investment adviser, or which have assets of more than \$5,000,000; (b) banks, insurance companies and registered investment companies, (c) a natural person whose individual net worth, or joint net worth with his or her spouse, exceeds \$1,000,000; and (d) a natural person who had individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and who reasonably expects to reach the same income level in the current year. Persons who are accredited investors are considered capable of fending for themselves and need not meet the same standards of sophistication as nonaccredited investors. Accordingly, each prospective purchaser of the Units will be required to represent in his Membership Interest Subscription Agreement that he is an accredited investor. The Manager reserves the right to require a prospective investor to substantiate a claim that he is an accredited investor by supplying a balance sheet, prior year's federal income tax returns or other appropriate documentation.

In addition to being an “accredited investor” each prospective purchaser or his duly authorized representative must also represent in writing to the Company in a Subscription Agreement that: (a) the prospective purchaser has adequate means of providing for his current needs and personal contingencies and has no need for liquidity in this investment, and (b) the prospective purchaser's overall commitment to investments which are not readily marketable is not disproportionate to his net worth and the investment in the Units will not cause such overall commitment to become excessive. Each person acquiring Unit(s) will be required to represent that he is purchasing them for his own account, for investment purposes, and not with a view to resale or distribution.

The representations of prospective purchasers referred to above will be reviewed to determine suitability, and the Manager will have the right to refuse a subscription for Units, if in its sole discretion, it believes that the prospective purchaser does not meet the applicable suitability requirements, or the Units are otherwise an unsuitable investment for the prospective purchaser.

LITIGATION

Neither the Company, the Manager nor any of its Affiliates is involved in any litigation material to the business of the Company.

LEGAL MATTERS

The validity of the Membership Interests offered hereby will be passed for by the Company by the law firm of Legal & Legal, P.C., Anywhere, USA.

ADDITIONAL INFORMATION

Each prospective investor may, at any time prior to purchasing a Unit, have access to all relevant material information with respect to the Company and its proposed activities, to the extent that the Manager possesses such information or can acquire it without unreasonable effort or expense. Prospective investors or their representatives may also, at any time during ordinary business hours prior to purchasing Units, ask questions of the Manager and its Affiliates with respect to the terms and conditions of the Offering and the information contained in this Memorandum and request additional information necessary to verify such information. The Manager and its Affiliates will provide answers to such questions and provide such information to the extent such answers and information are possessed by the Manager or can be obtained by the Manager without unreasonable effort or expense.

The relevant books, records, documents and information with respect to the Company and to the offering of Units are and will be retained in the office of the Company. Each prospective investor is invited to

inspect and copy, or request copies of, any such materials at the Company's offices during ordinary business hours. These materials, documents or agreements include additional financial information on the Manager and its Members, additional information regarding the Company and its affiliates and all documents or agreements relating to the activities of the Company which are not included as exhibits hereto. All references herein to contracts or other agreements are qualified in their entirety by reference to each contract or agreement.

NO FINANCIAL STATEMENTS

Because the Company is newly formed, and has no established history of operation, historical financial statements of the Company are not available.

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