

XMi High Growth Development, LLC
618 Church Street
Nashville, TN 37219

January 28, 2010

Lamont Price
Director, Internal Audit
State of Tennessee
Department of Economic and Community Development
312 Rosa L. Parks Avenue, 11th Floor
Nashville, TN 37243

Dear Lamont:

Per the requirements of the TNInvestco legislation, XMi High Growth Development, LLC (the "Fund") is required to report on the remaining designated capital as specified below –

- A) The amount of the qualified TNInvestco's remaining un-invested designated capital at the end of the immediately preceding taxable year;
- B) Whether or not the qualified TNInvestco has invested more than fifteen percent (15%) of its total designated capital in any one business;
- C) All qualified investments that the qualified TNInvestco has made in the previous taxable year, including the number of employees of each qualified business in which it has made investments at the time of such investment and as of December 1 of the preceding taxable year; and
- D) For any qualified business where the qualified TNInvestco no longer has an investment, the qualified TNInvestco must provide employment figures for that company as of the last day before the investment was terminated.

The Fund responds to the above request as outlined below:

- (A) The Fund has \$474,341.84 in remaining un-invested designated capital. This amount has not yet been audit by our independent audit firm and is subject to verification.
- (B) The Fund has not invested more than fifteen percent (15%) of its total designated capital in any one business.

(C) Below are the qualified investments and closing dates for the preceding taxable year.

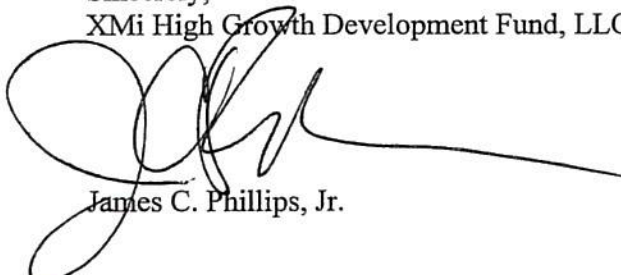
- a. The Smart Image, LLC: June 24th, 2010
- b. ProviderTrust, LLC: June 30th, 2010
- c. MyWerx, LLC: September 24th, 2010
- d. Dataium, LLC: September 24th, 2010

According to the State's definition, below is the employment information as requested above.

- a) The Smart Image, LLC: As of the Closing date, the Company had 0 employees. As of December 1st, 2010, the Company had 7 employees.
- b) ProviderTrust, LLC: As of the Closing date, the Company had 0 employees. As of December 1st, 2010, the Company had 4 employees.
- c) MyWerx, LLC: As of the Closing date, the Company had 4 employees. As of December 1st, 2010, the Company had 4 employees.
- d) Dataium, LLC: As of the Closing date, the Company had 0 employees. As of December 1st, 2010, the Company had 0 employees.

(D) As of December 31st, 2010, the Fund maintains its investment in every qualified business in which an investment was made. None of the investments have been sold or liquidated.

Sincerely,
XMi High Growth Development Fund, LLC



James C. Phillips, Jr.