

January 31, 2014

Lamont Price  
Director of TNInvestco  
State of Tennessee  
Department of Economic and Community Development  
312 Rosa L. Parks Avenue, 27th 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) As of December 31<sup>st</sup>, 2013, the Fund has \$2,536,938.15 in remaining un-invested designated capital. This amount has not yet been audited by our independent audit firm and is subject to verification. The above amount includes interest earned from cash held by the State.
- (B) The Fund has not invested more than fifteen percent (15%) of its total designated capital in any one business.

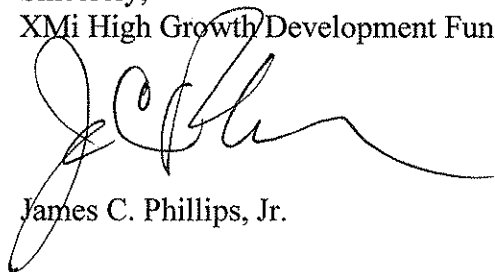
(C) Below are the qualified investments and closing dates for the preceding taxable year. Also included is the employment information requested by the State.

- a. The Smart Image LLC
  - i. Investment Amount in 2013: \$0
  - ii. # of Employees as of 12/1/13: 0
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 0
  
- b. ProviderTrust LLC
  - i. Investment Amount in 2013: \$0
  - ii. # of Employees as of 12/01/13: 11
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 4
  
- c. Dataium LLC
  - i. Investment Amount in 2013: \$0
  - ii. # of Employees as of 12/01/13: 19
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 4
  
- d. MyWerx LLC
  - i. Investment Amount in 2013: \$0
  - ii. # of Employees as of 12/01/13: 0
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 0
  
- e. Stratasan LLC
  - i. Investment Amount in 2013: \$0
  - ii. # of Employees as of 12/01/13: 17
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 3
  
- f. Industrial Ceramic Solutions LLC
  - i. Investment Amount in 2013: \$0
  - ii. # of Employees as of 12/01/13: 0
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 0
  
- g. Criterion Holdings Corporation, Inc.
  - i. Investment Amount in 2013: \$0
  - ii. # of Employees as of 12/01/13: 141
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 68
  
- h. Border Jump LLC
  - i. Investment Amount in 2013: \$350,000.00
  - ii. # of Employees as of 12/01/13: 2
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 0
  - iv. # of Employees as of 2013 Closing: 6
  - v. Date of 2013 Investment: April 11, 2013
  - vi. New Portfolio Company: No

- i. J2 Software Solutions LLC
  - i. Investment Amount in 2013: \$58,896
  - ii. # of Employees as of 12/01/13: 21
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 4
  - iv. # of Employees as of 2013 Closing: 22
  - v. Date of 2013 Investment: August 9, 2013
  - vi. New Portfolio Company: No
  
- j. Network Contract Solutions LLC
  - i. Investment Amount in 2013: \$110,000
  - ii. # of Employees as of 12/01/13: 27
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 20
  - iv. # of Employees as of 2013 Closing: 20
  - v. Date of 2013 Investment: January 18, 2013
  - vi. New Portfolio Company: No
  
- k. RLCL Acquisition LLC
  - i. Investment Amount in 2013: \$0
  - ii. # of Employees as of 12/01/13: 170
  - iii. # of Combined Woman & Minority Employees as of 12/01/13: 98

(D) As of December 31<sup>st</sup>, 2012, the Fund maintains its investment in every qualified business in which an investment was made. As disclosed to the State, the Fund sold 50% of its interest in ProviderTrust LLC in 2012. No other investments have been sold or liquidated.

Sincerely,  
XMi High Growth Development Fund, LLC



James C. Phillips, Jr.