

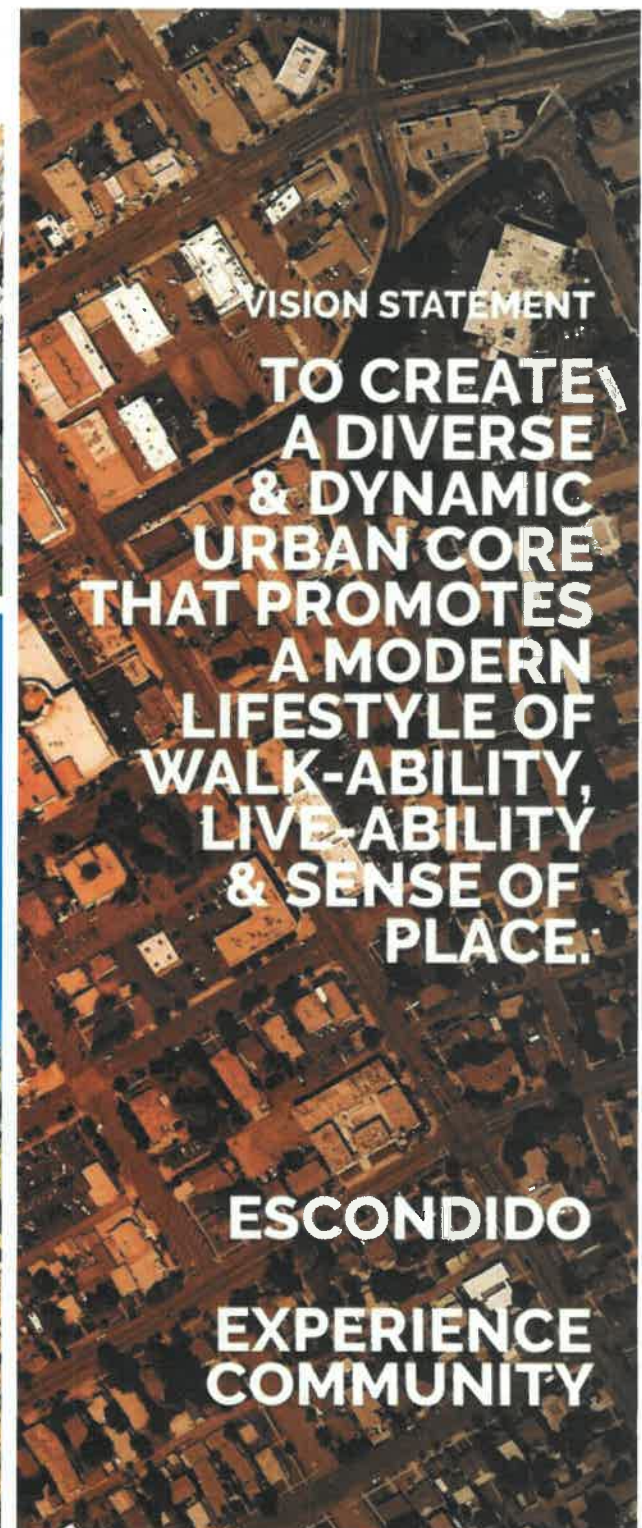
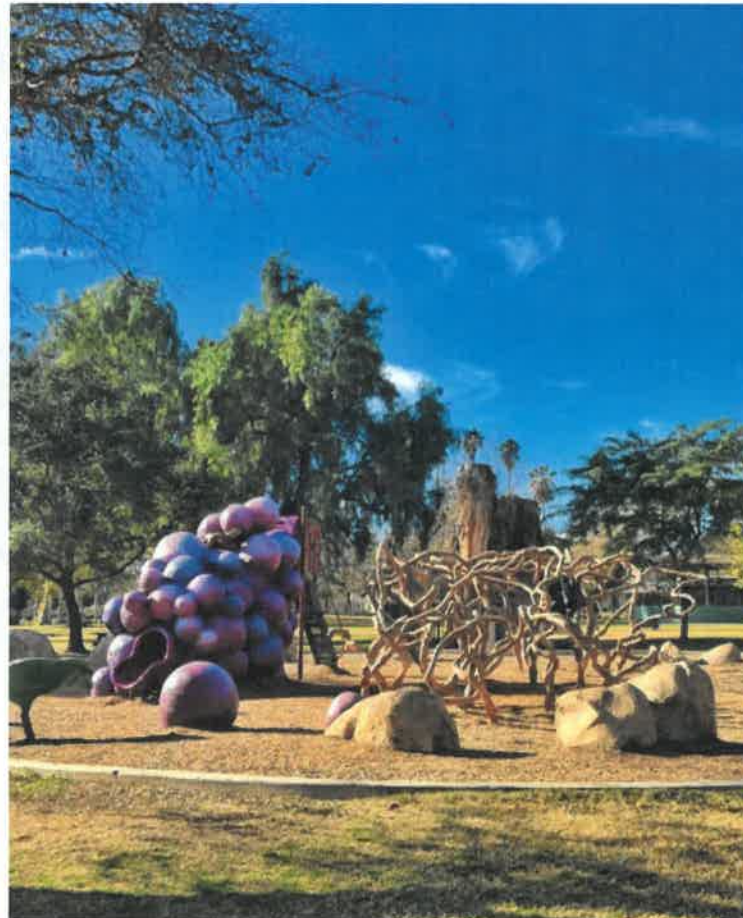
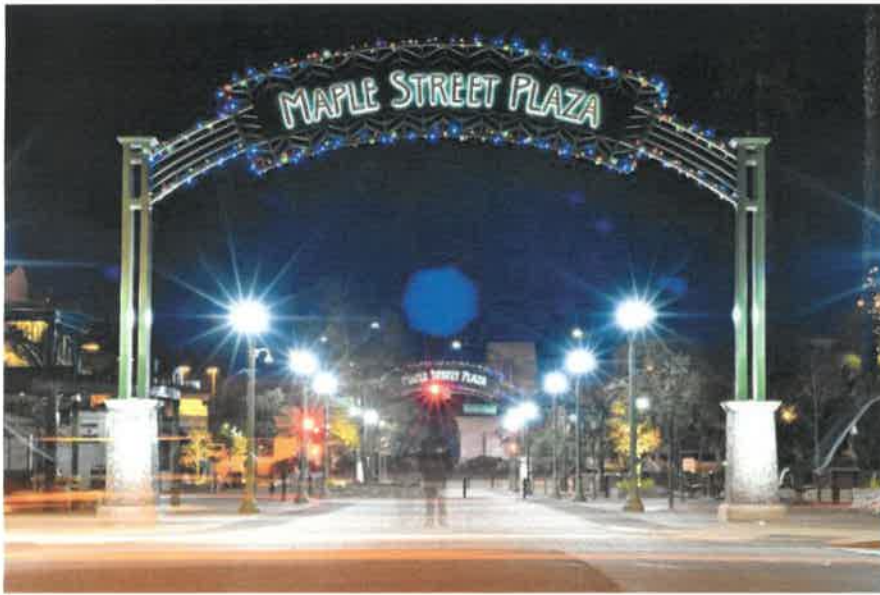
REAL ESTATE INVESTMENT OPPORTUNITY

North San Diego County Urban Infill Development

OFF-MARKET ACQUISITION AND ENTITLEMENT OF A MIXED-USE PROJECT IN THE HEART OF
DOWNTOWN ESCONDIDO, CA



9909 MIRA MESA BLVD., SUITE 150, SAN DIEGO, CA 92131 | (858) 586-0414 | WWW.TOUCHSTONECOMMUNITIES.COM



VISION STATEMENT

TO CREATE
A DIVERSE
& DYNAMIC
URBAN CORE
THAT PROMOTES
A MODERN
LIFESTYLE OF
WALK-ABILITY,
LIVE-ABILITY
& SENSE OF
PLACE.

ESCONDIDO

EXPERIENCE
COMMUNITY

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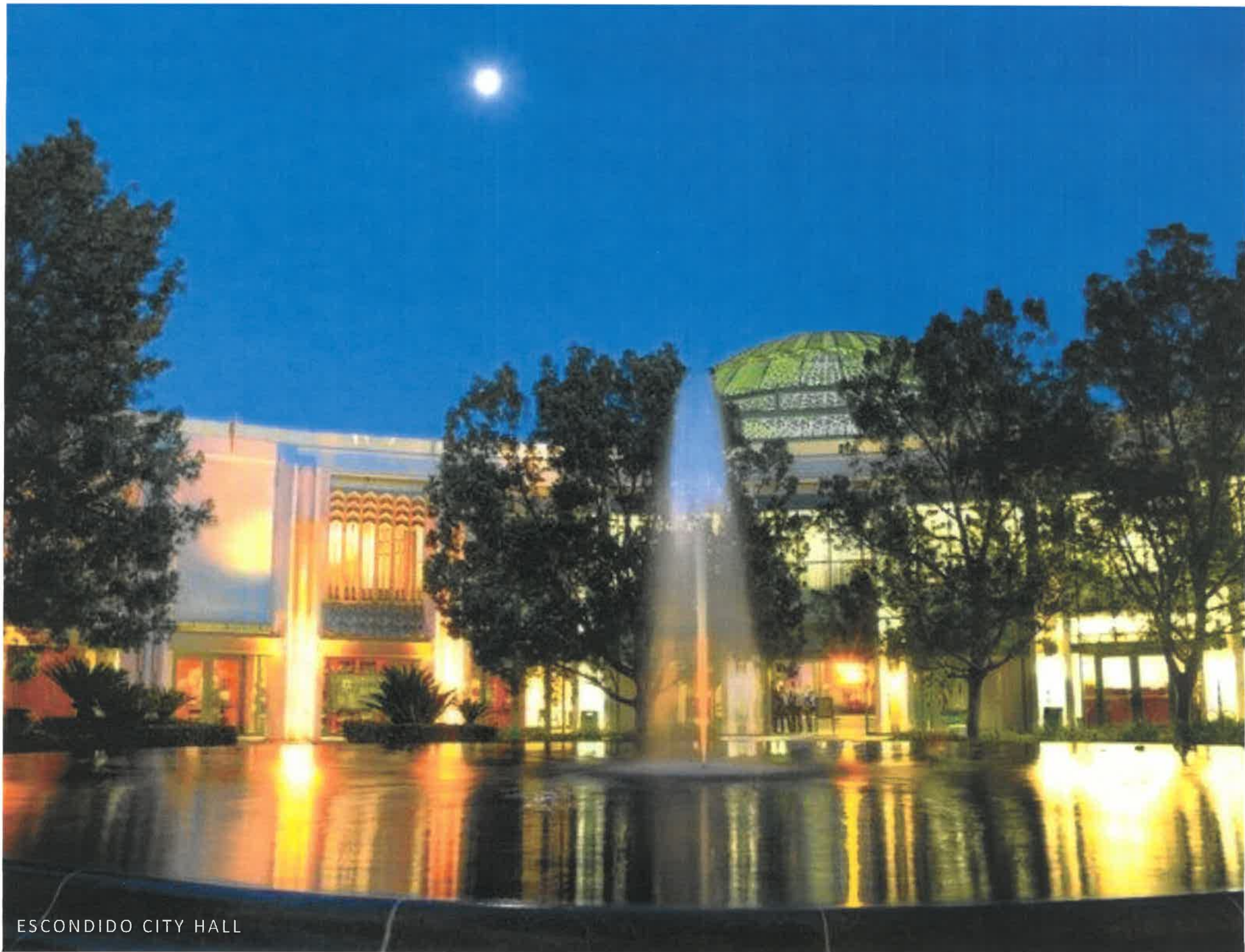
DISCLOSURE STATEMENT

The information contained on this brochure is not an offer to purchase or sell securities. This brochure, the other documents made available to potential Investors, and the information contained therein, are for informational purposes only and are not an offer to sell or a solicitation of an offer to buy any securities in any company, and may not be relied upon in connection with the purchase or sale of any security. Interest in Touchstone MF Fund I, LLC (the "Company"), if offered, will only be available to parties who are interested in investing in the Company on their own behalf and who are "accredited investors", which, for natural persons, are investors who meet certain minimum annual income or net worth thresholds.

Any offering or solicitation will be made by the Company only to qualified prospective investors pursuant to the Company's Amended and Restated Private Placement Memorandum Dated February 1, 2017 (the "Memorandum"), and the subscription documents, all of which should be read in their entirety by the proposed investor prior to making an investment. Such securities are being offered in reliance on an exemption from the registration requirements of the Securities Act and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act. The Commission has not passed upon the merits of or given its approval to the securities, the terms of the offering, or the accuracy or completeness of any offering materials. The securities are subject to legal restrictions on transfer and resale and investors should not assume that they will be able to resell their securities. Investing in securities involves risk, and investors should be able to bear the loss of their investment.

This brochure (and the documents made available to potential Investors) contains forward-looking statements involving risks and uncertainties. These statements relate to future events or the Company's future financial performance. Any statement that is not a reference to historical fact is a forward-looking statement. For example, in some cases, you can identify forward-looking statements by terminology such as "could," "may," "will," "should," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of such terms, or other comparable terminology. These statements are only hypotheses and predictions. Actual events or results may, and often do, differ materially. In evaluating these statements, you should specifically consider various important factors including the risks described in the Offering Memorandum under "Risk Factors" and in other parts of the Memorandum. These factors may cause actual results to differ materially from any forward-looking statement. Although the expectations reflected in all forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statements. The Company is under no duty to update any of the forward-looking statements after the date of this presentation to conform them to actual results or to changes in the Company's expectations.





ESCONDIDO CITY HALL



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EXECUTIVE SUMMARY

DOWNTOWN REDEVELOPMENT | ESCONDIDO, CA



EXECUTIVE SUMMARY



Pursuant to its Amended and Restated Private Placement Memorandum Dated February 1, 2017 (the “Memorandum”), Touchstone MF Fund I, LLC, a Delaware limited liability company (“Company,” “Issuer,” or “Fund I”) is offering accredited investors the opportunity to invest in the acquisition and entitlement of a mixed-use project consisting of approximately 200 multifamily units and 5,000-10,000 square feet of retail space (the “Project”). The investment objective is to acquire three separate underutilized real property parcels (the “Properties” or “Sites”) within the City of Escondido’s downtown core and maximize their value by obtaining Project entitlement approvals. Entitlements are legal rights conveyed by approvals from governmental entities to develop a property for a certain use, intensity, building type, or building placement. Entitlements add value by eliminating the risk and/or uncertainty as to what can legally be built upon a property and by bringing the Project closer to “shovel ready” condition.

Touchstone Communities (“Touchstone”), as the Manager of Fund I, has cultivated this investment opportunity organically through exclusive negotiations with the City of Escondido (owner of Sites 1 and 3) and then seized the chance to acquire Site 2 from a separate private entity. Touchstone has conducted extensive market research to confirm its underwriting assumptions and overall feasibility for the Project, Touchstone has also received schedule and cost estimates from several experienced Southern California General Contractors that Touchstone reasonably believes support the assumptions in the financial model. In addition, proper care and attention has been exercised in preparing the Project operational assumptions, which are believed to be reasonable in the present economic and business conditions.

While generally described and processed as one overall Project, the Project is broken down into the following Sites:

Site 1 – Currently used as a parking lot, Touchstone proposes to entitle the property for approx. 106 Multifamily Units and 5,000-10,000sf of Retail Space (Fund I will take ownership upon Entitlement approval from City)

Site 2 – Currently vacant and decommissioned surgical center, Touchstone proposes to entitle the property for approx. 94 Multifamily Units (Private land transaction, Fee Simple Ownership)

Site 3 – Currently used as a parking lot, Touchstone proposes to entitle the property for a parking structure with approx. 148 Parking Spaces (Fund I will take ownership upon Entitlement approval from City)

Touchstone will lead a team of consultants, including planners, architects and engineers, to design the Project, prepare the plans and required documents, and process them through the City to ultimately gain Escondido City Council approval. The investment duration is anticipated to be approximately 14 months, from acquiring the Properties to the ultimate disposition of the approved Project. Touchstone plans to sell the Properties to either a third party or an affiliate upon approval of the entitlements. As part of the deal with the City, the new owner of Site 1 and Site 3 will be responsible for developing the parking structure on Site 3 and transferring it back to the City in exchange for retaining ownership of Site 1. Since Site 2 is not a City owned property, it will not have any similar requirements beyond those that are part of the approved Project itself.

Touchstone is a San Diego-based real estate investment and land development company that has planned and built distinguished projects throughout California. In addition to its expertise which includes acquiring, entitling, and developing residential and mixed-use communities, Touchstone has a great relationship with the City of Escondido and has successfully entitled other projects in the City, most recently gaining approvals for a 113-unit townhome project in May 2016. Touchstone has control over Sites 1 and 3 through an Exclusive Negotiating Agreement (ENA) with the City of Escondido and over Site 2 through a fully executed Purchase and Sale Agreement (PSA) with its Seller.

INVESTMENT OPPORTUNITY

DOWNTOWN REDEVELOPMENT | ESCONDIDO, CA



INVESTMENT HIGHLIGHTS

- ◆ Superior Location Located in the downtown core of Escondido, walking distance to restaurants, shops, and bars and just half a mile east of Escondido Transit Center, less than 1.5 miles from I-15, short commute to major employment centers
- ◆ Market & Competition Very limited supply of new apartment projects in the area, proven rental market with low vacancy rates
- ◆ Rare Opportunity High profile off-market acquisition of City-owned properties
- ◆ Compelling Investment Performance Very favorable basis for promising Returns of the Investment
- ◆ Attractive Project Design & Layout Project is designed to attract renters that are seeking urban living in a walkable, vibrant community by providing the optimal unit mix and amenities without sacrificing affordability

KEY METRICS AND INVESTMENT HORIZON

Total

Est. Gross Capital Requirements (incl. Placement Fees) **\$4.1mm**

Est. Gross Disposition Revenue **\$5.8mm**

Est. Investment Duration **14 Months**

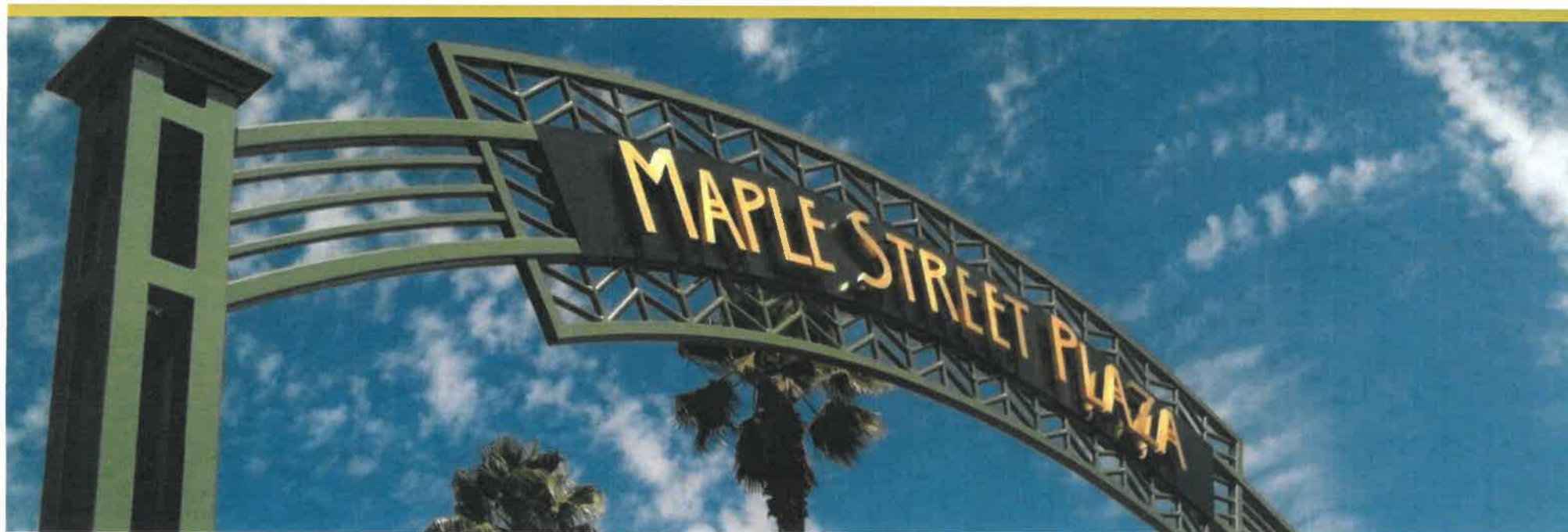
ESTIMATED PERFORMANCE

Total

Investors Gross Proceeds **\$1.25mm**

Investors ROI **30%**

These statements are only hypotheses and predictions. *Actual results may vary substantially from the figures shown above.*



PROJECT OVERVIEW

The proposed Project is located in Downtown Escondido. The City's Downtown vision is dictated upon its current land use, the Downtown area calls for commercial, institutional, civic, open space, residential both urban and suburban, and light industrial uses all under a larger Specific Plan umbrella which further breaks down the downtown into specific districts. Fund I's Project Sites all reside within the Historic Downtown District and as such have their own development standards, independent from the other Downtown Specific Plan Districts.

The three projects which Fund I is proposing will be submitted to the City together as one large Planned Development, including both a Master and Precise Plan Development. The Planned Development (PD) designation allows for flexibility in terms of design standards, parking accommodations, Floor Area Ratios (FAR), setbacks, and other development requirements. The proposed Project includes two infill mixed-use/multifamily projects and a separate 3 to 4 story parking structure. Combined these projects will consist of approximately 200 new multifamily units, approximately 5,000-10,000 sq. feet of retail space, and an estimated 580 parking spaces.

Site 1 is located at 137 Valley Pkwy between City Hall to the north and Grand Ave. to the south, bordering Maple Street Plaza to the west and N. Broadway to the east. Site 1 makes up roughly 1.04 acres, and is designated for up to 75 Dwelling Units per acre (78 DU/Ac by this measure) and a 4 story (60 foot) height limit. The property is currently being used as a public parking lot with approximately 118 spaces. The proposed development for Site 1 is a 6-story mixed-use building that includes 106 residential units, 242 parking spaces, common areas and amenities, and approximately 5,000-10,000 square feet of retail space. The Project will have one floor of subterranean parking, the grade level floor will contain the retail space and additional parking, the first floor above grade level will contain residential units and a pool deck with common area open space and amenities, and there will be an additional 4 floors of residential above. The Site 1 Project provides 242 parking stalls for residential and public parking. Of these 242 spaces, 64 will be allocated to the City for public parking. Parking will be provided on two levels, one underground, and one at grade with access from Valley Parkway.



INVESTMENT OPPORTUNITY

Site 2 is located at 343 E. 2nd Ave. and is currently an underutilized decommissioned surgery center. The 1.04 acre property is bordered by commercial uses to the north and west with residential uses to both the south and east. Access to the Site is provided via E. 2nd Ave., S. Juniper St., E. 3rd Ave., and S. Ivy St., in addition there is a small alley way that separates the block, running north and south. The property is within the Downtown Specific Plan area and has the same development regulations as Site 1. The proposed development for Site 2 is a 4-5 story residential building that will contain approximately 94 one and two bedroom units, an outdoor common area with pool, and other amenities. The building will house 2 levels of parking for a total of 190 stalls, providing a mix of compact and tandem stalls. Above the parking, 4 levels of residential units including a common area deck at the first level. Level 1 of the residential portion of the building has 22 units that will be placed in a “U” shape facing west, with a recreation deck/lounge area, California room, and an additional recreation room. Moving upward levels 2 through 4 will each contain 24 units. The Project will also include a leasing office and fitness center. Site 2 is receiving 19 units of its density from Site 3 where the proposed parking garage will be located at Kalmia St. and 2nd Ave.



Site 3 is located at the northwest corner of Kalmia St. and 2nd Ave. Site 3 is roughly .63 acres and falls within the Downtown Specific Plan. The property is currently a public parking lot with approximately 84 spaces. The proposed development for Site 3 is a 3 to 4 story parking structure that will include approximately 148 parking spaces. In return for building the parking structure on the Site and then giving it to the City, the developer will transfer the allowable density for Site 3 (47 dwelling units), to Site 1 (28 units) and Site 2 (19 units).



CONCEPTUAL RENDERINGS

Site 1



CONCEPTUAL RENDERINGS

Site 1



CONCEPTUAL RENDERINGS

Site 2



CONCEPTUAL RENDERINGS

Site 2



INVESTMENT OPPORTUNITY



INVESTMENT TERMS

HOLDING PERIOD	Target Investment Horizon of 14 months, subject to market conditions
OFFERING SIZE	The Maximum raise for this Offering is \$4,100,000.
PURCHASE CLOSE DATE	December 31, 2017
MINIMUM INVESTMENT	Minimum purchase of five (5) Units of Membership Interests for \$50,000, although Touchstone reserves the right to accept a limited number of subscriptions for lesser amounts.
MANAGEMENT COMPENSATION	Acquisition Fee: 3% of Property Purchase Price; Asset Management Fee: \$25,000/month; Disposition Fee (only if Manager acts as broker or agent in disposition): 3%; and reimbursement of costs and expenses in relation to organizing Fund I, sourcing the property, and its management of Fund I
DISTRIBUTIONS	
MEMBER PREFERRED RETURN	8% to the Members pro-rata (cumulative non-compounded annual “preferred” return on pro-rata capital contribution)
NET PROCEEDS FROM DISPOSITION	70% to the Members, pro-rata, and 30% to the Manager, until the Members achieve a threshold of 30% Return on Investment; thereafter, 30% to the Members, pro-rata, and 70% to the Manager.
OWNERSHIP STRUCTURE	Delaware Limited Liability Company (LLC) ownership through Touchstone controlled entity, Touchstone MF Fund I, with Investors as Members and Touchstone as Manager

ESTIMATED PURCHASE PRICE AND COSTS

	TOTAL
EST. PURCHASE PRICE OF PROPERTIES*	\$1,300,000
EST. COST FOR ACQUISITION FEE, LEGAL FEES, ORGANIZATION COSTS, PROPERTY TAXES, CLOSING COSTS	\$120,915
EST. COST FOR DUE DILIGENCE, ENTITLEMENT, SITE PREPARATION AND BUILDING DEMOLITION	\$2,109,850
TOTAL ACQUISITION COST	\$3,530,765

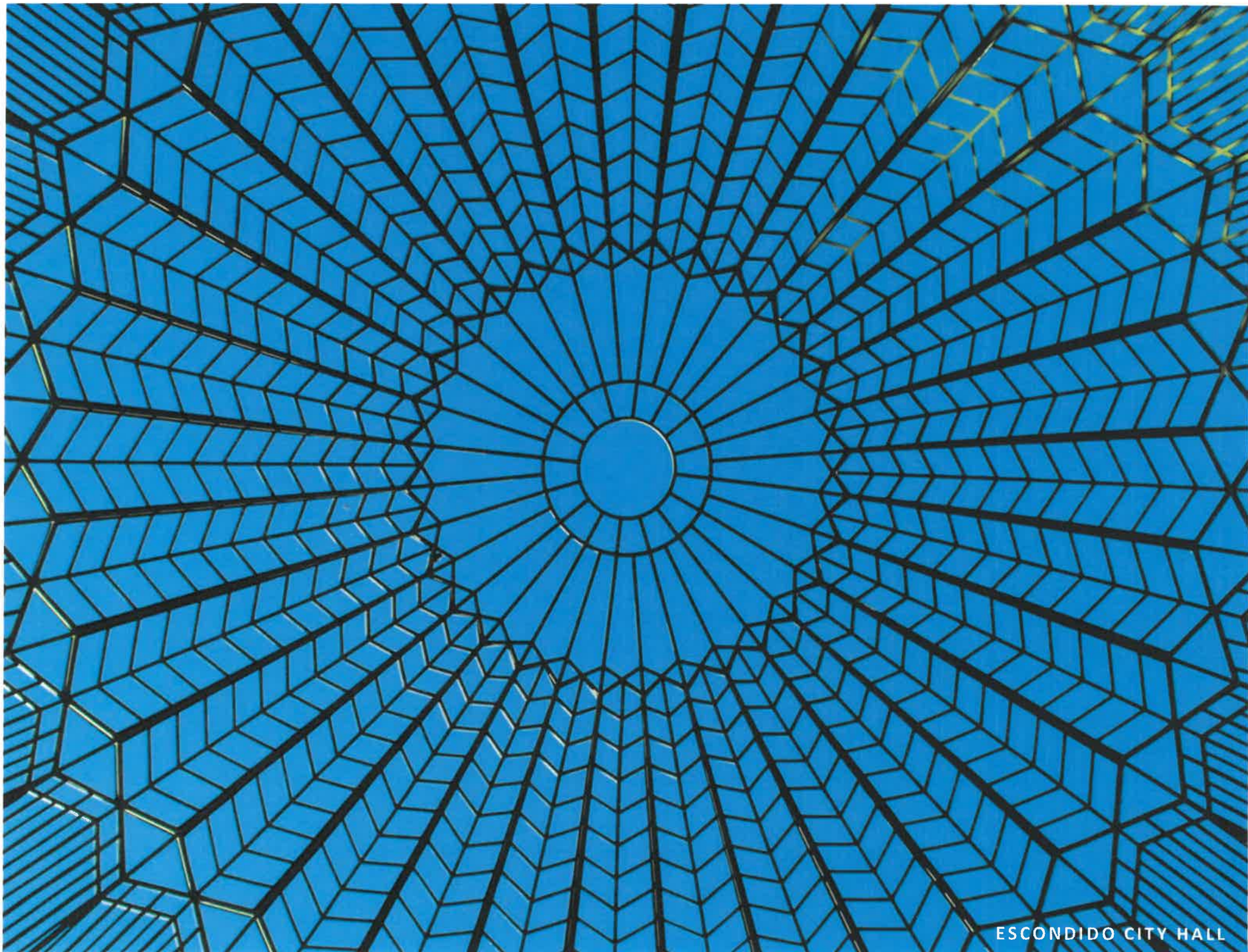
*Site 1 will be given to Fund I in exchange for Fund I’s development of Site 3 into a parking structure that will be owned and operated by the City of Escondido.
Please refer to the PPM for more information.

RISK FACTORS

Purchase of Units by an Investor is speculative and involves a high degree of risk. If Touchstone is unable to effectively manage these risks, Fund I may not meet its investment objectives and the Investor may lose some or all of its investment. See “Risk Factors” in PPM. The following is a summary of the material risks that Touchstone believes are most relevant to an investment in Units of Fund I and does not replace a diligent review of the “Risk Factors” section in the PPM:

- There is no assurance that Fund I or Touchstone will be able to achieve the stated investment objectives, including acquiring the Properties.³
- No public market currently exists, and one may never exist, for the Units. Touchstone does not have any current plans to list Fund I’s Units on a national securities exchange and cannot guarantee that a liquidity event will occur.
- Return of the Investor’s initial capital contribution may be solely dependent upon Fund I effectuating a liquidating event, and in the event no liquidating event ever occurs, Investors may not receive any or all of their investment back.
- The Offering price of the Units is not indicative of the book value or net asset value of Fund I’s current or expected investments, or Fund I’s current or expected cash flow. The Offering price may be greater than the per Unit “estimated value” Fund I publishes in the future, or the proceeds the Investor would receive upon Fund I’s liquidation or upon the sale of the Units.
- Investors who purchase Fund I’s Units pursuant to this PPM may incur immediate monetary dilution.
- Fund I may pay distributions during a given period in an aggregate amount that exceeds Fund I’s cash flow from operations for that period, determined in accordance with GAAP. As used herein, “GAAP” means generally accepted accounting principles as in effect in the USA from time to time or any other accounting basis mandated by the SEC. As a result, Fund I may pay distributions from sources other than cash flows from operations. Specifically, some or all of Fund I’s distributions for any period in which Fund I’s cash flow from operations is not sufficient may be paid from cash flow from operations from prior periods that was not distributed or otherwise used for other purposes, referred to herein as “retained cash flow,” from borrowings, from cash flow from investing activities, including the net proceeds from the sale of Fund I’s assets. Fund I has not limited the amount of monies from any of these sources that may be used to fund distributions. Touchstone has no obligation to provide Fund I with advances or contributions, and Touchstone is not obligated to defer, accrue or waive any portion of its Management Fee, Carried Interest, or reimbursements. Further, there is no assurance that these other sources will be available to fund distributions.
- Fund I will not have any employees and will rely entirely on Touchstone, its affiliates, including, but not limited to Touchstone Development, Inc., and their Management and affiliates to manage Fund I’s business and assets.
- If Fund I’s tax designation is changed, Fund I may be required to pay entity-level taxes.
- Fund I may have insufficient capital to carry out its objectives.

³ Site 3 will be developed into a parking structure that will be owned and operated by the City of Escondido in exchange for a fee simple interest in Parcel 1 being given to Fund I by the City.



ESCONDIDO CITY HALL

LOCATION OVERVIEW

DOWNTOWN REDEVELOPMENT | ESCONDIDO, CA

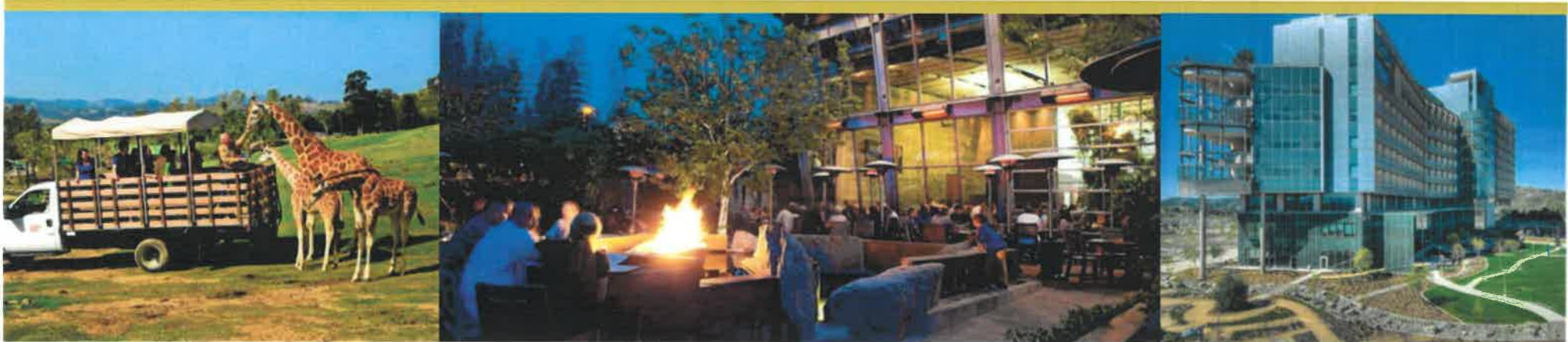


PROJECT LOCATION

Positioned in the urban core of the City of Escondido in North San Diego County, the project is located just south of City Hall, 1.5 miles east of Interstate 15, and a half mile east of the Escondido Transit Center. The project offers quick access to transportation and employment centers, and is surrounded by retail, restaurants, movie theatres, and other entertainment options. This project is expected to add to the revitalization and growth that downtown Escondido is currently experiencing.

AREA LANDMARKS AND HIGHLIGHTS

- ◆ Grape Day Park Just a block away from the project, Grape Day Park is home to the Escondido History Center, Heritage Walk, Grape Day Military Tribute, Children's Tile Art Wall, Public Art, and Vinehenge Play Sculpture. Also across the street is Escondido's City Hall and California Center for the Arts.
- ◆ Maple Street Plaza Adjacent to the project, this "festival street" provides a place for farmers markets, craft fairs, and other community events.
- ◆ Breweries and Wineries Escondido is home to some of the best breweries and wineries, including Stone Brewing Company and Orfila Winery.
- ◆ The San Diego Zoo Safari Park A world class 1,800 acre expanse resembling Africa's most productive wildlife areas and one of San Diego's largest tourist attractions.
- ◆ Palomar Pomerado Health Called the "Hospital of the Future," the new Palomar Medical Center has gained acclaim as the first hospital nationwide to incorporate a multitude of progressive innovations that create a world-class healing environment.
- ◆ John Paul the Great University A visionary teaching institution focused on and dedicated to molding students into future innovators and creators, leaders and entrepreneurs. Offering Degree programs in communications media, business and theology on the frontiers of applied learning.



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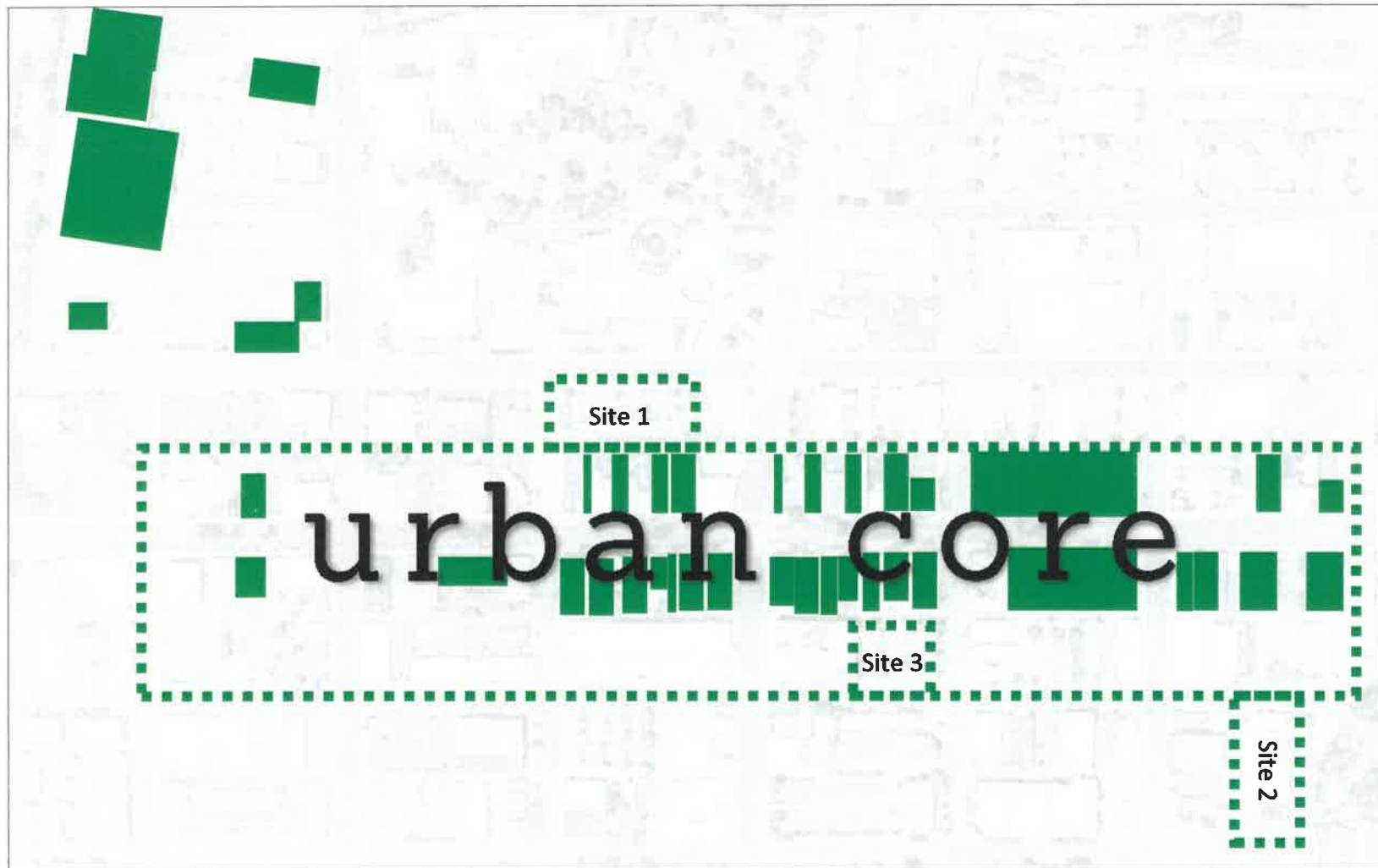
This aerial map of Escondido, California, shows the 'SUBJECT SITE' marked with a yellow star. The site is located in the eastern part of the city, near the intersection of N Juniper St and E 2nd Ave. Major transportation corridors include Interstate 15 (I-15) running north-south on the left and State Route 78 (SR-78) running east-west across the top. Other labeled streets include W Mission Ave, W Washington Ave, W Park Ave, and N Spruce St. The map also identifies 'Central Escondido' and 'Escondido' as distinct areas. A yellow box with the text 'SUBJECT SITE' and an arrow points to the marked location.

LOCATION OVERVIEW

CLOSE UP AERIAL



DOWNTOWN ESCONDIDO URBAN CORE



ESCONDIDO, CALIFORNIA

The City of Escondido is located in North San Diego County and it is one of the region's largest municipalities with a mix of land uses and job opportunities, a variety of residents and visitors, accompanied by an extensive history of community engagement and interest in the region's future. Today the downtown areas of many mid-size metropolitan cities are suffering from degradation and underutilized land, the City of Escondido is no different. The surrounding regional influences from other municipalities, major job suppliers, and connectivity to San Diego, Riverside, and Orange County markets, gives Escondido's Downtown commanding potential for once again becoming a vibrantly modern, walkable, and optimized central core of not just the city, but North County San Diego.

The City of Escondido's Downtown is filled with points of interest including the California Center for the Arts – Escondido, City Hall, Grape Day Park, Maple Street Plaza, and Civic Center Plaza Shopping Center. There are also a number of exciting local restaurants and retail shops along Grand Avenue and Kalmia Street, a multi-screen cinema, and John Paul the Great – Catholic University, a popular media arts college that enrolls a wide range of students. It is important to note that like the City of San Marcos, Escondido is also hoping to capitalize its Downtown's future development in correspondence to the influx of students attending California State University San Marcos and the popularity of the craft beer scene that has been flooding the area for some time. In fact, Escondido is already home to the popular Stone Brewery, one of the largest craft breweries in the United States.

DEMOGRAPHICS

The City has a population of 147,294 (2015 estimate, www.Escondido.org) and SANDAG expects continuous growth over the next decades, resulting in an increase in population to approx. 154,635 in 2020. The median Household Income is estimated at \$53,284 and the Bureau of Labor Statistics projected an unemployment rate of 5.0% (August 2016). The City's major employers are the Palomar Medical Center and the Escondido Union School District.

ACCESS TO TRANSIT AND EMPLOYMENT CENTERS

Downtown offers convenient access to both the I-15 and Highway 78 routes, which connect residents to not only to shopping and entertainment, but to major job centers along the Highway 78 corridor and the rest of regional employment centers along the I-15 including Rancho Bernardo, Mira Mesa, Kearny Mesa, Downtown San Diego, and Temecula.

Escondido's Downtown can easily be accessed via the I-15 freeway specifically the W. Valley Pkwy exit which will bring drivers to the center of Downtown. Highway 78 also provides quick access to the City's center using the North Broadway exit. Access from within the city's local street network is provided through Mission Ave., Washington Ave., Valley Blvd., and Centre City Pkwy., all of which are large capacity thoroughfares.

The City offers multiple transportation methods including public transit, bike paths, and pedestrian networks. The Escondido Transit Center is less than one-mile from the Project Sites; it links residents to the rest of the county by means of regional Sprinter Train and multiple local and regional bus routes. Active transportation linkages to the City's Downtown are accomplished by both existing and proposed Class I Multi-use, Class II Lanes, and Class III Bike Routes. Furthermore, there is an established sidewalk network that allows for pedestrians to safely reach their destinations on foot.

ATTRACTIONS

The Downtown area is a host to several local restaurants, retailers, and entertainment centrally located along Grand Ave. and Kalmia St. A popular entertainment example is the Cruisin' Grand auto show, a local attraction that brings a mass of people to Downtown every Friday night for several months during the summer season. The City has several other amenities and features outside of the Downtown Area, including, San Diego Zoo Safari Park and Stone Brewery, which attract regional, national, and international tourists. The San Diego County region is home to several Indian Gaming Casinos. These serve not only as great places for entertainment, but as major regional employers within close proximity of cities like Escondido. The closest being Valley View Casino in nearby Valley Center just a 25-minute drive from Downtown Escondido. There are also several large national retailers such as Target, Wal-Mart, Home Depot, and Barnes and Noble, accompanied by a Westfield Mall conveniently located near the I-15.

Public parks can be found all around the City of Escondido with variety of uses including scenic open space, multi-use, and sports centers all of which are managed by the Public Works Dept. In regards to safety and law enforcement the City of Escondido provides its residents with municipal fire and police departments rather than contracting with the San Diego County Sheriff's Department as many other North County San Diego municipalities do. The Project Sites are within the Escondido Union School District boundaries, specifically the Central District for elementary schools and the Del Dios District for middle schools. EUSD has five middle schools and seventeen elementary schools. All three Sites fall within Escondido Union High School District boundaries near the borders of the San Pasqual High School area and Escondido High School area.



CRUISIN' GRAND

APARTMENT MARKET PERFORMANCE SUMMARY

There are a few notable developments in close proximity to or within the Downtown area that have added to Escondido's revitalization, Latitude 33, Haven 76, and the For-Sale Housing project Contempo. In addition to being catalysts for renewal, these developments pose as great examples of successful multi-family residential developments in Escondido.

SAN DIEGO/CARLSBAD MARKET — ANNUAL SUBMARKET RANKINGS

Effective Rent Growth Ranking	Rank	2Q16	LTA	2016	2017-2020
Vista	1	8.9%	3.4%	7.8%	3.6%
National City/Chula Vista	2	7.5%	4.4%	6.9%	3.9%
La Jolla/University City	3	7.3%	3.6%	4.3%	3.3%
Escondido/San Marcos	4	7.3%	4.0%	6.7%	4.1%
Oceanside	5	7.3%	3.5%	7.4%	3.7%
San Diego/East of I-15	6	7.3%	3.4%	7.4%	3.0%
Clairemont/Linda Vista Mission	7	7.32%	3.3%	5.4%	3.6%
El Cajon/Santee/Lakeside	8	7.1%	3.9%	6.4%	3.4%
Mira Mesa/Rancho Bernardo	9	6.7%	4.2%	6.0%	3.8%
La Mesa/Spring Valley/Lemon Gr.	10	5.8%	4.1%	4.9%	3.6%
North Beaches	11	5.5%	3.2%	5.2%	3.3%
Downtown San Diego	12	5.1%	2.7%	4.3%	4.0%
San Diego County/Other	13	5.0%	4.4%	5.3%	4.0%
Ocean Beach/Point Loma Blvd.	14	3.0%	2.9%	4.2%	4.0%
Market Average		6.5%	3.6%	5.9%	3.7%

Occupancy Ranking	Rank	2Q16	LTA	2016	2017-2020
San Diego/East of I-15	1	97.7%	93.5%	97.2%	96.4%
Ocean Beach/Point Loma Blvd.	2	97.4%	96.8%	96.4%	96.2%
Escondido/San Marcos	3	97.2%	95.6%	96.9%	96.5%
El Cajon/Santee/Lakeside	4	96.9%	97.0%	96.8%	96.5%
San Diego County/Other	5	96.8%	95.4%	96.1%	96%
Oceanside	6	96.7%	95.2%	96.2%	96.1%
Vista	7	96.7%	94.5%	96.2%	96.0%
Mira Mesa/Rancho Bernardo	8	96.5%	95.2%	95.8%	95.6%
North Beaches	9	96.5%	97.2%	95.7%	96.1%
La Mesa/Spring Valley/Lemon Gr.	10	96.1%	96.3%	95.5%	95.3%
Nation City/Chula Vista	11	95.9%	96.6%	95.7%	95.6%
La Jolla/University City	12	95.7%	96.3%	94.9%	95.3%
Downtown San Diego	13	95.3%	92.8%	94.6%	94.5%
Clairemont/Linda Vista Mission	14	94.9%	91.0%	94.3%	93.7%
Market Average		96.4%	95.2%	95.9%	95.7%

Notes: All numbers derived from AXIOMetrics, Inc.—Axiometrics Market Performance Summary San Diego-Carlsbad, CA—Second Quarter 2016; (www.axiometrics.com)
LTA = Long term average (1996/or available to current)

APARTMENT MARKET PERFORMANCE SUMMARY (CONTINUED)

SAN DIEGO/CARLSBAD MARKET — ESCONDIDO/SAN MARCOS SUBMARKET

The submarket's annual rent growth rate of 7.3% is above the market average of 6.8% (see Submarket Profile in table below). Out of the 14 submarkets in the market, Escondido/San Marcos ranks 3rd for annual effective rent growth for 2Q16. Annual effective rent growth is forecast to be 6.7% in 2016, and averages 4.8% from 2016 through 2019. The annual effective rent growth has averaged 4.0% per year since 4Q98.

The submarket's occupancy rate is currently 97.2% which is above the market average of 96.1% in 2Q16. For the forecast period, the submarket's occupancy rate is expected to decrease to 96.9% in 2016 and average 96.5% from 2016 through 2019. The submarket's occupancy rate has averaged 95.6% since 4Q98. Touchstone projects the development's rental growth levels at a more conservative level of 2% (annual average) compared to the long-term average. The projected average occupancy level of 96% is close to the long-term submarket average and more conservative than current occupancy levels in the submarket.

Submarket Survey Results and Forecasts

	Sequential				Month	Annual							
	3Q15	4Q15	1Q16	2Q16	Jun-16	2013	2014	2015	2016F	2017F	2018F	2019F	
Effective Rent Per Unit	\$1,489	\$1,483	\$1,508	\$1,560	\$1,566	\$1,317	\$1,374	\$1,461	\$1,559	\$1,613	\$1,679	\$1,760	
Per Sq. Ft	\$1.65	\$1.64	\$1.67	\$1.73	\$1.75	\$1.46	\$1.52	\$1.62	\$1.73	\$1.79	\$1.86	\$1.95	
Effective Rent Growth - Annually	6.7%	6.1%	6.3%	7.3%	7.8%	3.9%	4.4%	6.3%	6.7%	3.5%	4.1%	4.8%	
Effective Rent Growth - Quarterly	2.4%	-0.4%	1.6%	3.6%									
Occupancy Rate	97.2%	97.0%	97.4%	97.2%	97.9%	95.9%	96.8%	97.5%	96.9%	96.2%	96.5%	96.9%	
Occupancy Change - Annually	0.0%	-0.1%	-0.2%	-0.6%	0.0%	1.0%	0.9%	0.7%	-0.6%	-0.7%	0.3%	0.4%	
Occupancy Change - Quarterly	-0.9%	-0.2%	0.4%	-0.2%									
Economic Concessions													
Concession Value	\$-1.84	\$-5.11	\$-3.56	\$-4.09	\$-2.66	\$-10.02	\$-2.84	\$-1.95					
As a % of Asking Rent	-0.1%	-0.3%	-0.2%	-0.3%	-0.2%	-0.8%	-0.2%	-0.1%					

Submarket Profile

	Submkt	Market	Rank	Pipeline Delivery Schedule						
Effective Rent Per Unit	\$1,560	\$1,913	13/14	Submarket	2014	2015	2016	2017	2018	Total
Effective Rent Growth - Annually	7.3%	6.8%	3/14				247			247
Effective Rent Growth - Quarterly	3.6%	3.4%	5/14	Market	2,734	3,413	3,535	3,342	347	13,371
Occupancy Rate	97.2%	96.1%	3/14	Pipeline Lease Up Trend						
Occupancy change - Annually	-0.8%	0.9%	12/14	Market	Units Absorbed	Asking Rent		Effective Rent		
Occupancy change - Quarterly	-0.2%	0.4%	13/14		Totals	PPM	Level	Per Ft.	Level	Per Ft.
Concession Value	\$-4.09	\$-8.14	6/14	Market	2,091	15	\$2,322	\$2.46	\$2,179	\$2.31
Build Average	1989	1994	10/14							

*Ranking based on Submarkets with 5 or more Projects

*Trend based on a trailing 12 month period

Based on Axiometrics' identified supply of properties under construction, the submarket was expected to deliver 247 units in 2016 of which none have been delivered.

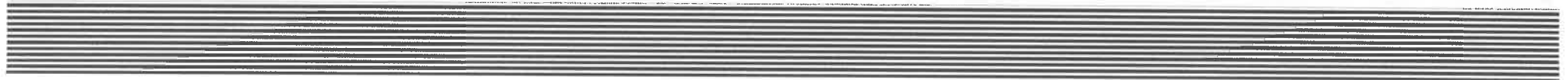
As the data indicates, rents are situated below San Diego's average rent on a per unit-basis due to the vast availability of superior located and high rental coastal and urban-core properties. In the submarket, the average rent per unit amounts to \$1,560 today with an average year built of 1989.

As the proposed development will present a significant premium over existing properties in the area (in terms of age, amenities, and location), average monthly rent per unit is anticipated to be \$2,225 or \$2.31 per square foot. This pricing is in line with two new comparable rental properties in inferior locations in the City of Escondido—Latitude33 and Haven76.



ABOUT TOUCHSTONE

DOWNTOWN REDEVELOPMENT | ESCONDIDO, CA



OVERVIEW OF MANAGER TOUCHSTONE COMMUNITIES, LLC

Fund I's Manager, Touchstone Communities, LLC, and its management, will have power and authority on behalf of Fund I to manage its business and make investment decisions. Management will coordinate and manage all of Fund I's activities, maintain its records and accounts, and arrange for the preparation and filing of all its tax returns.

Touchstone is a San Diego-based real estate investment and land development company. Touchstone has planned and built distinguished projects throughout California. Touchstone seeks to improve the lives of the American family one community at a time. Through smart and sustainable design, Touchstone strives to bring health conscious principles to each of its projects, which leads to the creation of desirable environments, higher property values, and places where people are proud to live, work, and play. Touchstone's expertise includes acquiring, entitling, and developing residential and mixed-use communities that include cutting edge design, retail, office and multi-family components, recreational amenities, and regional infrastructure. Touchstone's management team has over 120 years of combined knowledge, experience, expertise and relationships, which it uses to source potential acquisitions. Touchstone's current portfolio includes projects that are located across California, from San Diego to the Bay Area.

Touchstone Communities Mission Statement and Guiding Principles: ***"Build Smart, Live Healthy, Be Happy"***

Build Smart

Touchstone creates desirable places to live, work, and play with a belief that sustainability is a way of life. By analyzing and understanding the impacts of every aspect in its business, it plans ahead to create sustainable neighborhoods that preserve our natural resources and promote healthier living. A first step toward this goal is to plan and build smart. Touchstone is dedicated to encouraging its future residents to incorporate eco-friendly choices into everyday life. Touchstone involves its future residents early on in the planning process. By incorporating all ideas, Touchstone is able to form a place where home, work, leisure and shopping activities are situated in close proximity. Every community is structured in a smart way and built to put people first by offering pedestrian friendly design and cutting down on vehicle commutes. Incorporating recycling facilities and community gardens into its communities, for example, makes it convenient for residents to participate in sustainable practices.

Live Healthy

Touchstone maintains a strong emphasis on fostering a healthy lifestyle and conserving the environment. In addition to the overall design of its communities, it is important for Touchstone to provide a wide array of amenities for its future residents that encourage them to engage in a healthier lifestyle. Walking and biking trails, fitness and recreation centers, sports courts, swimming pools and parks are just some of the recreational amenities that can be found within Touchstone's communities. Touchstone's building materials, architecture and energy-saving concepts, support its green low-carbon communities. Touchstone uses modern design standards to conserve energy and make the use of renewable water resources available. Where there are opportunities to maintain the original landscape and nature within its communities, Touchstone identifies smart ways to integrate and protect them. Touchstone actively pursues innovative technologies and ideas in all layers of environment, society and economy to find sustainable and green solutions that result in healthier environments for our future residents.

Be Happy

Sustainable, healthy, and well planned environments where people can live, work, and play, leads to happier and longer lives.

KEY PERSONNEL

Kerry Garza, President and CEO



Mr. Garza founded Touchstone Communities in 2000. Mr. Garza has 33 years of experience in the design and construction of communities including over 35,000 homes and all sizes of commercial buildings. Mr. Garza has created and managed many projects with budgets over \$250 million. These projects have included master-planned communities with thousands of homes, commercial centers, golf courses, schools, and recreation facilities. Many projects include major infrastructure such as highways, sewer treatment plants, pump stations, fire stations, and environmental mitigation and preservation. Prior to forming Touchstone, Mr. Garza held important positions with various land development firms including SunCal, Starwood Development, Shea Homes, and Eastlake Development.

Mr. Garza holds a B.S. in Civil Engineering from San Diego State University.

Addison Garza, Executive Vice President



Mr. Addison Garza joined his father in this family-owned business in 2005 and is involved in every aspect of its operations. As the Executive Vice President and leader of the acquisition team, Mr. Garza's expertise lies in the sourcing, analyzing and acquiring of unique development opportunities to create the foundation for successful residential and mixed-use communities. He has over 10 years of experience in the real estate industry and has managed over \$100 million of complex entitlement and development acquisitions. While he primarily focuses on the financing aspects of Touchstone's real estate investments, Mr. Garza also manages corporate tasks and oversees the entitlement process for all of Touchstone's projects.

Mr. Garza holds a B.S. in Business Administration (Finance) from San Diego State University and was a visiting scholar in International Relations at the prestigious Oxford University in the United Kingdom.

Niklas Knape, Vice President of Finance and Investments



Mr. Knape joined Touchstone after earning his Masters of Science degree in Business from Germany's most prestigious Business School – University of Mannheim. Mr. Knape oversees Touchstone's finance and investment operations. As VP of the Finance and Investments team, he focuses on the analysis of potential real estate investments and is involved with the activities of our acquisition due diligence team. Mr. Knape plays a critical role in working with our capital partners and principals to successfully complete our acquisitions. Prior to joining Touchstone, Mr. Knape worked at several financial institutions in Germany including Bank of NY Mellon. With his international and academic background, Mr. Knape contributes different perspectives and approaches to Touchstone. Mr. Knape provides valuable insight into the Company's strategic growth decisions and engages in management of our current projects.

Mr. Knape holds a Masters in Business from the University of Mannheim, Germany, a B.S. in Business from the University of Duisburg-Essen in Germany, and was a visiting scholar at the MBA Program of IPADE Business School in Mexico City and also at San Diego State University.

KEY PERSONNEL

James Hirsch, Senior Forward Planner

Mr. Hirsch has over 30 years of private and public sector management experience in coastal and waterfront planning, land use regulation, multi-disciplinary environmental planning, entitlement processing, sustainable urban design, infrastructure project management and business development. At Touchstone, Mr. Hirsch is responsible for overseeing all forward planning and entitlement aspects of Touchstone's projects. Mr. Hirsch has served as both Planning Commission Chairman and Design Review Board member in several cities. Mr. Hirsch has the AICP credential and is an associate member of the AIA and the Urban Land Institute.

Mr. Hirsch holds a Bachelor of Architecture from the University of Oklahoma and a Masters in City Planning from the University of California Los Angeles, in addition to post-graduate Law studies.

Tomas Romero P.E., Senior Project Engineer

Mr. Romero is a licensed Professional Engineer with over 40 years of experience in Civil Engineering design in residential and commercial. Mr. Romero is responsible for overseeing engineering and infrastructure design for Touchstone's projects. Prior to joining Touchstone, Mr. Romero held positions as Project Engineer, Project Manager, and President, for various land development and engineering firms including The Corky McMillin Companies, Hunsaker and Associates, and Masson and Associates.

Mr. Romero holds a B.S. in Civil Engineering from San Diego State University.

Brian Nestoroff, Senior Project Manager

Mr. Nestoroff is one of Touchstone's most experienced project managers who currently manages over 1,000 lots in various stages of the entitlement and development process. Mr. Nestoroff previously held senior positions at public and private home builders, including most recently at Lennar, a national home builder and Fortune 500 company. At Lennar, Mr. Nestoroff oversaw several Southern California projects, him and his team were responsible for coordinating all stages of projects including acquisition, project feasibility, planning, entitlement, land development and home building. Some of Mr. Nestoroff's other previous roles include Vice President of Planning for Standard Pacific Homes and Vice President of Development for Starwood Development.

Mr. Nestoroff holds a B.S. in Business from the University of Colorado-Boulder.

DISCLOSURE REGARDING PROJECTIONS

This marketing brochure, including any slides, exhibits, handouts, or documents referenced in this brochure, includes forecasted, projected or other types of forward-looking information, including information relating to Touchstone MF Fund I, LLC's (the "Company's") future business prospects, sales and dispositions, duration and schedules, financial performance, pro forma financial data, liquidity, capital needs, costs, revenues and proceeds (the "Projections"). You should not regard the Projections as an indication that the Company, its directors, officers and members, their financial or legal advisors, or any other person considered, or now considers, the Projections to be material or necessarily predictive of actual future results. The Projections are subjective in many respects and are thus subject to interpretation. While presented with numerical specificity, the Projections reflect numerous estimates and assumptions made by management with respect to industry performance and competition, general business, economic, market and financial conditions and matters specific to the Company's business, all of which are difficult to predict and many of which are beyond the Company's control. We cannot assure you that the Projections will be realized or that actual results will not be significantly higher or lower than projected. As a result, you should not rely on the Projections as necessarily predictive of actual future events. No one has made or makes any representation regarding the information included in the Projections. The Company does not intend to update or otherwise revise the Projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even if any or all of the assumptions on which the Projections were based are shown to be in error.



SANTA FE TRAIN CAR IN GRAPE DAY PARK

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