



# FAIRWAY

A M E R I C A

**CONFIDENTIAL**  
**NOTE SUBSCRIPTION BOOKLET**

**FAIRWAY AMERICA FUND VII LP**

**NOTES**

**April 1, 2022**

**16150 SW Upper Boones Ferry Road  
Portland, OR 97224**

*IN MAKING AN INVESTMENT DECISION, YOU MUST RELY ON YOUR OWN EXAMINATION OF FAIRWAY AMERICA FUND VII LP, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE UNITS BEING OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.*

*THESE UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. YOU WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.*

*SECURITIES OFFERED THROUGH NORTH CAPITAL PRIVATE SECURITIES, MEMBER FINRA/SIPC. NORTH CAPITAL HAS BEEN APPOINTED AS A PLACEMENT AGENT FOR THE OFFERING OF THESE SECURITIES AND WILL RECEIVE TRANSACTION FEES BASED UPON THE SUCCESSFUL PLACEMENT OF EQUITY SECURITIES FOR THE ISSUER. NCPS, COLLECTIVELY WITH ITS ASSOCIATED PERSONS, SHALL RECEIVE A TRANSACTION FEE OF NO LESS THAN 0.20% AND NO MORE THAN 1.45% OF CAPITAL RAISED.*

## Table of Contents

|   |    |
|---|----|
| Overview.....   | i  |
| Sample Promissory Note.....   | 1  |
| Intercreditor Security Agreement .....  | 6  |
| Subscription Agreement.....   | 13 |
| Attachment A: North Capital Private Securities Corporation Offering Disclosure<br>and Form CRS..... | 32 |

## **FAIRWAY AMERICA FUND VII LP OVERVIEW**

This booklet contains documents which must be read, executed, and submitted if you wish to invest in Fairway America Fund VII LP, a Delaware limited partnership (the "Fund"). You should consult with an attorney, accountant, investment advisor, or other advisor regarding an investment in the Fund.

If you decide to invest, please either complete the online subscription process pursuant to the GP's instructions, or fill out, sign, and return the documents pertinent to you, as listed under each of the headings below with a wire or ACH (instructions provided separately) payable to Fairway America Fund VII LP, at the following address: 16150 SW Upper Boones Ferry Road, Portland, OR 97224.

### **For individuals not subscribing online, the documents to be signed and/or completed and returned are:**

1. The Subscription Agreement Signature Page for Individuals.
2. The Suitability Statement for Individuals.
3. The Signature Page of the Intercreditor Security Agreement for Individuals.

### **For entities not subscribing online, the documents to be signed and/or completed and returned are:**

1. The Subscription Agreement Signature Page for Entities.
2. The Suitability Statement for Entities.
3. The Signature Page of the Intercreditor Security Agreement for Entities.

### **What this Subscription Booklet Contains:**

1. A sample Promissory Note.
2. An Intercreditor Security Agreement.
3. A Subscription Agreement.

The Subscription Agreement is the document by which you agree to subscribe for and purchase a Note issued by the Fund. Section 3 of the Intercreditor Security Agreement includes a power of attorney granted to Fairway America Management Group II LLC, General Partner of the Fund ("FAMG II" or "GP"), as Representative for the Note Holders. By signing the Subscription Agreement, you will be granting the GP power of attorney which, among other things, grants FAMG II the authority to sign certain instruments and agreements with respect to the Notes on your behalf.

4. The Suitability Statements.

The Suitability Statements, which are in Section 12 of the Subscription Agreement and part of the Subscription Agreement, are important and must be completed by each Investor. Prior to finalizing your investment in the Fund, you will also be required to provide

documentation verifying your status as an “Accredited Investor” **before** submitting your subscription materials and wiring your funds and **before** the Fund accepts your subscription for Units.

5. The North Capital Private Securities Corporation Offering Disclosure and Form CRS.

These documents are provided in accordance with Regulation Best Interest.

**Privacy Statement:**

The Fund is committed to maintaining the confidentiality, integrity, and security of the personal information of its Note Holders.

The Fund does not disclose nonpublic personal information about its Note Holders to third parties other than as described below. The Fund collects information about its Note Holders (such as the Note Holder’s name, address, tax ID number, assets, and income) and their transactions with the Fund (such as investments, withdrawals, performance, and account balances) from discussions with Note Holders and from documents that Note Holders may deliver to the Fund such as subscription agreements. In order to provide services to the Fund and the Note Holders, the Fund may provide a Note Holder’s personal information to its affiliates and to firms that assist the Fund and that have a need for such information, such as lawyers, accountants, or other service providers and as permitted by law.

The Fund maintains physical, electronic, and procedural safeguards designed to protect the nonpublic personal information the Fund obtains about its Note Holders. For additional information about how affiliates of the Fund and the GP may use your information, please see the Privacy Policies posted at <https://fairwayamerica.com/privacy-policy/> and <https://verivest.com/privacy>.

\*\*\*\*\*

Please contact Investor Relations at [ir@fairwayamerica.com](mailto:ir@fairwayamerica.com) or 503.906.9100 if you have any questions.

## SAMPLE PROMISSORY NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THIS NOTE UNDER THE ACT AND UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL FOR THE NOTE HOLDER (CONCURRED ON BY LEGAL COUNSEL FOR THE FUND) THAT SUCH REGISTRATION IS NOT REQUIRED AS TO SUCH SALE OR OFFER.

### PROMISSORY NOTE FAIRWAY AMERICA FUND VII LP

Note Schedule: 20\_\_\_\_ Q\_\_\_\_

Rate Tier: \_\_\_\_\_

Term Tier: \_\_\_\_\_

Maturity Date: \_\_\_\_\_

**FOR VALUE RECEIVED**, as of \_\_\_\_\_, which is the Issue Date, in accordance with the terms and conditions contained in this Note and that certain Subscription Agreement entered into by Fairway America Fund VII LP (the "Fund") and \_\_\_\_\_ ("Note Holder") of even date herewith, Fund promises to pay to Note Holder in the manner described below, the Principal sum and interest thereon specified in this Note. The GP of the Fund shall execute this Note and the Documents on behalf of the Fund.

All capitalized terms in this Note have the meanings given to them, as applicable, in the Confidential Private Placement Memorandum dated April 1, 2022 (as subsequently amended or restated, the "PPM"), the Intercreditor Security Agreement, the company's Third Amended and Restated Limited Partnership Agreement, as may be amended or restated from time to time, (the "Operating Agreement"), or the Subscription Agreement (together with the Note and all other documents that the GP determines to be necessary or desirable to be executed in connection with Note Holder's investment, the "Documents"). This Note and the Documents, each and all, form the necessary documents for a purchase of a Note. The Note Holder shall execute each and every Document required by the GP to effect a purchase of a Note.

#### 1. Amount and Repayment.

1.1 **Principal.** The initial Principal of this Note is US \$ \_\_\_\_\_ ( \_\_\_\_\_ Dollars) ("Principal"). The Principal shall be adjusted by any payments in excess of accrued interest or prepayments.

1.2 **Interest.** The interest payable on this Note is payable as follows:

(a) **Note Rate.** The Note Rate of this Note is \_\_\_\_%. Note interest is payable at the end of each calendar month. Accrued, but unpaid interest shall not be compounded into the Principal.

### 1.3 **Payment; Prepayment.**

(a) **Payments.** Subject to Section 1.3(b) and Section 1.3(c), all Principal and interest shall be paid in full on demand of the Note Holder after the Maturity Date, by delivering notice to the Fund as set forth below.

(b) **Cash-Out Notice.** Note Holder shall be required to provide 60 days' written notice to the GP of Note Holder's desire to cash-out and receive payment of outstanding principal and interest upon the Maturity Date (the "Cash-Out Notice"). If the Note Holder does not provide the Cash-Out Notice at least 60 days prior to the Maturity Date, on the Maturity Date the Note term will automatically extend at the Note Rate less 1% until either (i) the Note Holder notifies the Fund that it wishes for the outstanding balance of the Note to be rolled over into a new Note, based on the then current Note Schedule, and such new Note is executed, or (ii) 60 days after the Note Holder provides a Cash-Out Notice.

(c) **90-Day Continuation of Note.** The Fund shall have the right to continue to make interest payments on a monthly basis to the Note Holder at the existing Note Rate plus 1% for up to 90 days beyond the Maturity Date, or up to 90 days beyond the date on which a Cash-Out Notice is given if such notice is given beyond the Maturity Date, whichever is later, without such continuation constituting an Event of Default.

(d) **Prepayment.** Prepayment of all or any portion of this Note is permitted at any time by the Fund without premium or penalty. Note Holder may also request a repayment of Note prior to the Maturity Date, subject to the Early Repayment Fee, which is a penalty equal to the amount of interest paid under the original Note Rate and the amount of interest that would have been paid had the Note Rate been set based on the shorter Note Term, as determined by the Fund in its sole discretion, and a fee of 5% of the original Principal balance. The granting of any repayment request hereunder shall be subject to the sole discretion of the GP.

(e) **Rollover of Interest, or Reinvestment Option.** Note Holder may elect to apply interest payable on this Note to increase the Principal of Note Holder's Note, except that the GP may override such election, in the GP's sole discretion. If the GP overrides such election, GP shall make interest payments under the terms of this Note.

### 1.4 **Security; Credit Facilities.**

(a) The Fund may choose from time to time to borrow money from one or more lenders (a "Credit Facility" or "Facility") and utilize one or more Fund Assets as collateral for any such borrowing. The Fund currently anticipates, however, that any Credit Facility it may utilize will be in the form of a warehouse line, which will be utilized as a temporary funding source to originate and acquire Fund Assets.

The Operating Agreement grants the GP significant latitude and discretion in its ability to use Credit Facilities in the operation of the Fund. However, the Operating Agreement also places specific limitations on the use of Credit Facilities by the GP, namely:

- The Fund will not provide any Facility with a first lien position on any existing Fund Assets already encumbered by Note Holder interests for the specific purpose of acquiring cash to accommodate LP Redemption Requests;

- The Fund will specifically not utilize any Facility that would require it to pledge all or a majority of its Assets using a borrowing base formula, unless all Note Holders are first paid off in full; and
- The Fund will not utilize a Facility for a warehouse line in an amount in excess of 25% of the total AUM at the time of procurement of that Facility, unless all Note Holders are paid off in full.

(b) **Note Security.** The Security for this Note is a pro-rated interest in the Note Holders' collective first lien interest on the Fund's Assets, except in the case of specific Assets being pledged to a Credit Facility as applicable. The Note Holder acknowledges and agrees that the Note and all related Documents are subject to and subordinate to any Credit Facilities. All Security and filings granted and made under this Note shall be held in the name of the Representative, who shall initially be the GP. The GP shall also have the sole discretion to appoint all successor Representatives. Such Representative or Representatives shall receive and keep record of quarterly updates and reports from the Fund, and such reports shall be available to the Note Holder from the Representative or Representatives.

(c) **No Assignment.** The Assets of the Fund shall NOT be assigned to any Note Holder or to any Representative, but shall remain in the name of the Fund. The Fund shall retain full rights in its Assets and may, without notice to or consent of Note Holder or any Representative, agree to the modification, waiver, or release of any provisions of any agreement, lien, deed of trust, mortgage, or any other Asset, consent to any action or failure to act by any obligor on any Asset, and exercise or refrain from exercising any power or right which the Fund may have under or with respect to any Asset. The Fund may manage, operate, or sell any Asset, all as exercised in the GP's sole discretion. Without limiting the foregoing, the Fund shall have the right, without notice to or consent from the Note Holder or any Representative, to grant any extension of time or forbearance for the performance of any obligation or condition under any Asset, which if not performed, would otherwise constitute a default or event of default under the loan or transaction documents pertaining to the Asset.

(d) **Document Execution.** In order for this Note to be effective, the Note Holder shall execute the Documents as required by the GP.

## 2. **Other Matters.**

### 2.1 **Event of Default; Remedies.**

(a) **Event of Default.** For the purposes of this Note, "Event of Default" shall mean the Fund's failure to pay the Note Rate interest when due (including any applicable grace or cure period), or to perform or be in compliance with any of its obligations under this Note, and such Event of Default continues for more than 90 days following written notice to the GP of the default.

#### (b) **Note Holder's Rights and Remedies Upon Event of Default.**

- **General Remedies.** Upon the occurrence of an Event of Default that remains uncured after 90 days' notice of default, the Note Holder may declare all obligations secured hereby immediately due and payable without notice, protest, presentment, or demand, all of which are hereby expressly waived by Fund, and may proceed to enforce payment of same and exercise any and all of the rights and remedies provided by the UCC as well as all other rights and remedies at law or in equity possessed by the Note Holder.

- **No Election of Remedies.** The election by the Note Holder of any right or remedy will not prevent the Note Holder from exercising any other right or remedy against Fund.
- **Sale of Security.** Any item of Security may be sold for cash or other value at public or private sale in accordance with the UCC, and the proceeds thereof collected. The Fund agrees to promptly execute and deliver, or cause to be executed and delivered, such instruments, documents, assignments, waivers, certificates, and affidavits and to promptly supply, or cause to be supplied, such further information and to take such further action as required in connection with any such sale.

2.2 **Assignment.** This Note has been issued and registered by the Fund in the name of the Note Holder and, therefore, may not be assigned by the Note Holder without the prior written consent of the Fund and the transfer of the registration of this Note to the Note Holder's transferee in the books and records of the Fund. Any purported assignment of this Note in violation of this section is null and void and shall be of no effect.

2.3 **Expenses and Attorneys' Fees.** Each party shall pay its own costs and expenses incurred in connection with the negotiation, execution, delivery, and performance of this Note. Each party in any suit, action, or appeal filed or held concerning this Note shall be responsible for its own attorneys' fees and shall not be responsible for the attorneys' fees of any other party.

2.4 **Extension.** The term of this Note may be extended by the written consent of the Note Holder and the Fund, on the same terms and at the same Note Rate.

2.5 **Amendment.** This Note may be amended by the written consent of the Representative, on behalf of the Note Holder in accordance with the terms of the Intercreditor Security Agreement, and the Fund.

2.6 **Governing Law.** This Note is governed and construed according to Delaware law. The exclusive venue for all disputes arising out of or relating to this Agreement shall be the federal or state courts located in Multnomah County, Oregon. The Note Holder irrevocably consents to the exercise of personal jurisdiction over him, her, or it by such courts for purposes of resolving such disputes.

2.7 **Notice.** All notices or other communications required or permitted by this Note must be in writing; must be delivered to the Fund and the GP at the addresses set forth below, or any other address that a party may designate by notice to the other parties; and are considered delivered upon (i) actual receipt if delivered personally, (ii) one day after deposit with a nationally recognized overnight delivery service, or (iii) at the end of the third business day after the date of deposit in the United States mail, postage prepaid, certified, return receipt requested.

**To Fund:** Fairway America Fund VII, LP  
16150 SW Upper Boones Ferry Road  
Portland, OR 97224

**To GP:** Fairway America Management Group II LLC  
16150 SW Upper Boones Ferry Road  
Portland, OR 97224



**IN WITNESS WHEREOF**, the undersigned have executed this Promissory Note.

**FAIRWAY AMERICA FUND VII LP**

By: Fairway America Management Group II LLC, its GP

By: \_\_\_\_\_ Date: \_\_\_\_\_, 20\_\_\_\_  
Matthew W. Burk, Manager

## INTERCREDITOR SECURITY AGREEMENT

This Intercreditor Security Agreement ("Agreement"), dated as of \_\_\_\_\_, 20\_\_, is by and among Fairway America Fund VII LP, a Delaware limited partnership (the "Fund"), Fairway America Management Group II LLC, a Delaware limited liability company ("FAMG II"), as Representative or its successor thereto, and the undersigned Fund note holder ("Note Holder").

### Recitals

- A.** Pursuant to the terms and conditions of the Offering of the Fund, Notes will be issued to Accredited Investors in exchange for cash investments. The Notes are secured by the Fund's Assets.
- B.** Pursuant to the terms and conditions provided for in the Note Holder's Subscription Agreement, Note Holder, along with each other Note Holder, designated a Representative, which shall initially be FAMG II and subsequently any of FAMG II's successors thereto, as its sole representative, and Note Holder furthermore agrees and acknowledges that the Representative shall enter into an agreement with the Fund providing for the orderly prosecution of any enforcement or foreclosure action with respect to the Notes.
- C.** The parties wish to describe the relative rights of Representative with respect to the Notes, including the Note Holder's Note.
- D.** All capitalized terms in this Agreement not defined herein have the meanings given to them in, as applicable, the Confidential Private Placement Memorandum dated April 1, 2022 (together with any amendments and supplements thereto, the "PPM"), the Note Holder's Note, or the Note Holder's Subscription Agreement. This Agreement and the Documents, each and all, form the necessary documents for a purchase of one or more Notes.

### Agreement

Now, therefore, for and in consideration of the mutual covenants contained in this Agreement, the undersigned hereby agree as follows:

- 1. Pari Passu Interests.** The Fund, the Representative, and Note Holder acknowledge and agree that the respective interests of each Note Holder, including Note Holder, in and to any payments made by the Fund in respect of the Notes, the Security, and any collections in connection with the foreclosure of such Security, shall be Pari Passu with each Note Holder, and no Note Holder shall have any priority over the other. Any such payments, Security, and/or collections received by any Note Holder, other than such payments, Security, and collections that are received by all Note Holders on a Pari Passu basis, shall be paid over by such Note Holder to the Representative, to be held in trust for the benefit of all Note Holders.
- 2. Designation of Representative as Sole Representative.** The Fund and the Representative acknowledge that the Note Holders, including the Note Holder, have each designated the Representative as the sole representative of all Note Holders and furthermore that the Note Holders have granted to the Representative a power of attorney, and the authority to control the orderly prosecution of any enforcement action with respect to any Notes or foreclosure of the Security for which each of the Note Holders receives a Pari Passu interest. Note Holder hereby appoints Representative as its agent, representative, and attorney-in-fact, with the exclusive right to manage, perform, and enforce the terms of the Notes to the extent that Note Holder has the right to do so, and to exercise and enforce all

privileges and rights exercisable and enforceable thereunder, for the joint benefit of all the Note Holders. Neither the Representative nor any of its directors, officers, or employees shall be liable for any action taken or omitted to be taken by it under or in connection with the Notes, except as a result of fraud, bad faith, gross negligence, or willful misconduct. The Representative may resign as sole representative of all the Note Holders at any time by delivering 90 days' written notice to the Note Holders. In the event that the Representative ceases to serve as representative for all the Note Holders, FAMG II may designate a new Representative.

**3. Power of Attorney.** Note Holder hereby makes, constitutes, and appoints the Representative, and any successor Representative, as determined by the GP, as its true and lawful representative and attorney-in-fact in such Note Holder's name, place, and stead to make, execute, sign, acknowledge, file, and record with respect to the Note Holder's Note:

(a) all instruments which the Representative deems appropriate to reflect any amendment, change, or modification of the Note or the Security in accordance with the terms of this Agreement;

(b) such agreements, instruments, or documents as may be necessary or advisable to reflect the exercise by the Representative of any of the powers granted to it under this Agreement, including without limitation, any subordination agreement required to be executed for the benefit of any Credit Facility;

(c) all such other instruments, documents, and certificates which may from time to time be required by the laws of the States of Delaware or Oregon, the United States of America, or any other jurisdiction in which the Fund shall determine to do business, or any political subdivision or agency thereof, to effectuate, implement, continue, and defend the valid and subsisting existence of the Note and the Security; and

(d) all applications, certificates, certifications, reports, or similar instruments or documents required to be submitted by or on behalf of the Fund to any governmental or administrative agency or body, or to any securities or commodities exchange, board of trade, clearing corporation, or association or similar institution or to any other self-regulatory organization or trade association.

The power of attorney granted in this Section 3 coupled with an interest and shall survive the death, disability, or dissolution of Note Holder. Further, Note Holder authorizes the Representative to take any further action which the Representative shall consider necessary or advisable in connection with any of the foregoing, hereby giving the Representative full power and authority to do and perform each and every act or thing whatsoever requisite to be done in and about the foregoing as fully as such Note Holder might or could do if personally present, and hereby ratifying and confirming all that the Representative shall lawfully do or cause to be done by virtue hereof; provided, however, that the Representative shall not have any right, power, or authority to amend or modify this Agreement when acting in such capacity except as set forth herein. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive the death of a Note Holder and extend to the Note Holder's heirs, legal representatives, successors, and assigns. The Note Holder hereby agrees to be bound by any representation made by the Representative acting in good faith pursuant to such power of attorney, and the Note Holder hereby waives any and all defenses which may be available to contest, negate, or disaffirm the action of the Representative taken in good faith pursuant to such power of attorney.

**4. Specific Enforcement.** As sole Representative of all Note Holders, FAMG II or its successor shall be the only party to take any enforcement or set-off action with respect to the Notes, foreclose or take any other action to realize upon the Note or the Security, institute any action or proceeding to collect or enforce the Note, commence or cause to be commenced any bankruptcy or similar proceeding against the Fund, or commence or exercise any other right or remedy against the Fund or under any document related to the Notes or under applicable law. Pursuant to the terms and conditions of the Offering, each Note Holder defers to the Representative to make all decisions regarding any action concerning the Notes.

**5. Portfolio Interest Exception.** Although the GP has attempted to prepare the Notes in a manner that non-U.S. Investors purchasing the Notes will qualify for the portfolio interest exception under U.S. tax law, neither the Fund nor the GP can guarantee that the Notes will be treated that way by the IRS or other U.S. state taxing authorities. Non-U.S. Investors purchasing Notes must consult with their own legal and tax advisors concerning this issue and must not rely on any representations by the Fund, the Representative, or their respective Affiliates concerning tax treatment of the Notes under U.S. law.

**6. Note Holder Security.**

**6.1 Grant and Definition.** As Security for the due and timely performance and payment of Fund's obligations to the Note Holders under the Notes, the Fund hereby grants to the Note Holders a security interest in all Fund Assets, whether presently owned or hereafter acquired, including without implied limitation, all real property, equipment, fixtures, tenant improvements, deposits, deposit accounts, accounts receivable, shares, units, membership and partnership interests, contract rights, securities, mortgages, notes, trust deeds, beneficial interests, instruments, and any and all assignments of the same, and intellectual property (including, but not limited to, patents, patent applications, copyrights, trademarks, trade names, and goodwill), together with all replacements thereof or substitutions therefore, and all proceeds thereof (the "Security"). The term Security specifically excludes any Borrower money or Borrower funds on account, or Borrower assets in trust held by the Fund or by the GP.

**6.2 Note Security.** Note Holder acknowledges that the Note is part of a group of Notes offered by the Fund. The Note will be secured against the Assets of the Fund Pari Passu with the other Notes offered by the Fund as part of the Offering, but subject to any Credit Facilities, as described herein.

**6.3 Representative.** The Note Holder further acknowledges that all Security and filings granted and made under the Note shall be held, pursuant to this Agreement, in the name of the Representative, who shall initially be the GP. The GP shall have the sole discretion to appoint a successor Representative or Representatives. Such Representative or Representatives shall receive and keep record of quarterly updates and reports from the Fund, and such reports shall be available to the Note Holder from the Representative.

**6.4 Perfection.** The Note Holder hereby authorizes the Fund, through the designated Representative, to file any UCC financing statements, and any amendment or modifications thereto or continuations thereof, and to file any other instrument or document, and take any other action the Representative deems necessary or appropriate to perfect or protect the Security created under this Agreement.

**6.5 No Assignment.** The Assets of the Fund shall NOT be assigned to any Note Holder or to any Representative, but shall remain in the name of the Fund. The Fund shall retain full rights in its Assets and may, without notice to or consent of Note Holder or any

Representative, agree to the modification, waiver, or release of any provisions of any agreement, lien, deed of trust, mortgage, or any other Asset, consent to any action or failure to act by any obligor on any Asset, and exercise or refrain from exercising any power or right which the Fund may have under or with respect to any Asset. The Fund may manage, operate, or sell any Asset, all as exercised in the GP's sole discretion. Without limiting the foregoing, the Fund shall have the right, without notice to or consent from the Note Holder or any Representative, to grant any extension of time or forbearance for the performance of any obligation or condition under any Asset, which if not performed, would otherwise constitute a default or event of default under the loan or transaction documents pertaining to the Asset.

**6.6 Subordination; Acknowledgement of Credit Facility.** The Note Holder acknowledges and agrees that the Note and all related Documents are subject to and subordinate to any Credit Facilities. The Note Holder's Security will be senior to all other creditors except for liens granted for any Credit Facility. Representative will execute subordination agreements in a form reasonably acceptable to the GP prepared by the sources of such Credit Facilities, if requested or required to do so by such source of Credit Facility. The Fund will not provide any Facility with a first lien position on any existing Fund Assets already encumbered by Note Holder interests for the specific purpose of acquiring cash to accommodate LP Redemption Requests.

**6.7 Cash Flow Distribution ("Waterfall").** The parties hereto acknowledge that the priority of payments and distributions from the Fund are intended, subject to modification by the GP in its sole discretion and as permitted by applicable law, to be as follows:

- (a) Interest and principal payments on any Credit Facility (depending on what collateral is pledged to a particular facility);
- (b) Fund Expenses;
- (c) GP annualized 2.0% Management Fee (paid monthly) on total AUM as of the last calendar day of each month, and any other fees owing to the GP or Fairway America, LLC;
- (d) Note Holder interest, payable monthly;
- (e) Repayment of maturing Notes, if any;
- (f) Any eligible Redemptions;
- (g) Any available EDC, as determined by the GP, to be paid to the LPs at the end of each quarter.

**7. All Note Holders Treated Equally.** Notwithstanding the order of filing of any financing statement, or the perfection or nonperfection of any Security, respective interests of each Note Holder in and to the Security and any collections in connection with the foreclosure of such Security shall be Pari Passu and no Note Holder shall have any priority over the other.

**8. No Obligation to Take Action.** Except for action expressly required to be taken by Representative hereunder and under the terms and conditions of the Subscription Agreement, Representative shall be entitled to refrain from taking any action hereunder unless Representative shall be indemnified by all Note Holders to Representative's satisfaction from any and all liability and expense it may incur by reason of taking such action. If Representative

declines to take action hereunder, the Note Holders may designate a new sole representative by a vote of Note Holders holding not less than a majority of the outstanding principal balance under all Notes issued by the Fund in the Offering, and such new sole representative shall have the same authority to act on behalf of the Note Holders as granted to Representative hereunder.

**9. Third Party Beneficiaries.** The Fund and Representative acknowledge and agree that each other Note Holder is a third party beneficiary under this Agreement, and that each other Note Holder may enforce any and all rights arising under this Agreement or the other individual Intercreditor Security Agreements entered into among the Fund, FAMG II, and the Note Holders.

**10. Reimbursement.** Representative shall be reimbursed by the Note Holders for all reasonable expenses incurred on behalf of the Note Holders in connection with any enforcement action.

**11. Other Matters.**

**11.1 Amendments.** This Intercreditor Security Agreement and any Notes subject to hereto may be amended or modified only in writing signed by the GP of the Fund on behalf of the Fund and the Representative on behalf of the Note Holders, provided Note Holders holding at least a majority of the outstanding principal of the Notes have consented.

**11.2 Assignment.** This Intercreditor Security Agreement shall not be assignable by the Note Holder without the prior written consent of the Fund. Any purported assignment of this Subscription Agreement in violation of this section is null and void and shall be of no effect.

**11.3 Counterparts; Facsimile.** This Intercreditor Security Agreement may be executed electronically and in counterparts, each of which shall be deemed an original and all of which shall constitute the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

**11.4 Expenses and Attorneys' Fees.** Each party shall pay its own costs and expenses incurred in connection with the negotiation, execution, delivery, and performance of this Intercreditor Security Agreement. Each party in any suit, action, or appeal filed or held concerning this Intercreditor Security Agreement shall be responsible for its own attorneys' fees and shall not be responsible for the attorneys' fees of any other party.

**11.5 Additional Documents and Acts.** Each of the parties shall promptly execute and deliver such additional documents and shall do such acts that are reasonably necessary in connection with the performance of their respective obligations hereunder to carry out the intent of this Intercreditor Security Agreement.

**11.6 Governing Law.** This Intercreditor Security Agreement shall be governed and construed according to Delaware law. The exclusive venue for all disputes arising out of or relating to this Agreement shall be the federal or state courts located in Multnomah County, Oregon. The Note Holder irrevocably consents to the exercise of personal jurisdiction over him, her, or it by such courts for purposes of resolving such disputes.

**11.7 Notices.** All notices or other communications required or permitted by this Intercreditor Security Agreement must be in writing; must be delivered to the Fund and the GP at the addresses set forth below, or any other address that a party may designate by notice to the other parties; and are considered delivered upon (i) actual receipt if delivered personally, (ii) one day after deposit with a nationally recognized overnight delivery service, or (iii) at the end of the third business day after the date of deposit in the United States mail, postage prepaid, certified, return receipt requested.

**To Fund:** Fairway America Fund VII, LP  
16150 SW Upper Boones Ferry Road  
Portland, OR 97224

**To GP:** Fairway America Management Group II LLC  
16150 SW Upper Boones Ferry Road  
Portland, OR 97224

**To Note Holder:** At the address set forth on the Subscription Agreement signature page executed by Note Holder.

**11.8 Non-Waiver.** A waiver of one or more breaches of any clause of this Intercreditor Security Agreement shall not act to waive any other breach, whether of the same or different causes.

**11.9 Severability.** Each clause of this Intercreditor Security Agreement is severable. If any clause is ruled void or unenforceable, then the balance of this Subscription Agreement shall nonetheless remain in effect.

**11.10 Term.** Unless otherwise agreed to in writing by the parties, this Intercreditor Security Agreement shall remain in full force and effect and shall not terminate.

\* \* \* \* \*

(Signatures appear on the following page)

**IN WITNESS WHEREOF**, the parties have executed this Intercreditor Security Agreement as of the date first above written.

**Fund:**

**FAIRWAY AMERICA FUND VII LP**

By: Fairway America Management Group II LLC, its GP

By: \_\_\_\_\_ Date: \_\_\_\_\_, 20\_\_\_\_  
Matthew W. Burk, Manager

**Representative:**

**Fairway America Management Group II LLC**

By: \_\_\_\_\_ Date: \_\_\_\_\_, 20\_\_\_\_  
Matthew W. Burk, Manager

**Note Holder:**

By: \_\_\_\_\_  
(Signature of Note Holder or Person  
Signing for Note Holder that is an Entity)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title (If applicable)

\_\_\_\_\_  
Date





## **FAIRWAY AMERICA FUND VII LP NOTE SUBSCRIPTION AGREEMENT**

This Note Subscription Agreement (the "Agreement") is between Fairway America Fund VII LP, a Delaware limited partnership ("the "Fund"), and the undersigned (referred to herein as "you" or the "Note Holder," except that in the case of a subscription for the account of one or more trusts or other entities, "you" or the "Note Holder" will refer to the trustee, fiduciary, or representative making the investment decision and executing this Agreement, of the trust or other entity, or both, as appropriate). The Fund and you hereby agree as follows:

### **1. Definitions.**

All capitalized terms in this Subscription Agreement have the meanings given to them, as applicable, in the Confidential Private Placement Memorandum dated April 1, 2022 (together with any amendments and supplements thereto, the "PPM"), the Note, or the Intercreditor Security Agreement. This Subscription Agreement and the Documents, each and all, form the necessary documents for a purchase of the Notes. The Note Holder shall execute all Documents required by the GP to effect a purchase of the Notes.

### **2. Purchase and Consideration.**

The Note Holder hereby contracts to purchase a Note or Notes in the Principal amount set forth on Note Holder's signature page attached hereto. By signing this Subscription Agreement, the Note Holder agrees to be bound by the terms and conditions of the Note as set forth therein. Each Subscription Agreement between the Fund and each respective Note Holder is a separate agreement, and the sale of each Note to each Note Holder is a separate sale.

### **3. Closing Procedures.**

3.1 Tender; Acceptance. Note Holder shall tender Note Holder's signed Documents, along with payment in full of the Principal amount set forth on Note Holder's signature page attached hereto, to the Fund for acceptance by the GP of the Fund, in the GP's sole discretion. The Fund will hold the tendered documents and consideration pending the Fund's review of such documents and acceptance of Note Holder as a Note Holder in the Offering. If the Fund does not accept the tender, then the Fund will so inform the Note Holder, and return Note Holder's funds.

3.2 Treatment of Funds Prior to Closing. Upon receipt of the Note Holder's funds, the Fund will immediately deposit those funds into its holding account (the "Subscription Account"), the date of which deposit shall be the "Deposit Date." Note Holder's purchase of a Note will only become effective as of the date upon which the Fund transfers the Note Holder's funds into its Operating Account (the "Transfer Date"). On the Transfer Date, the Fund will be obligated to transfer 100% of the money received from the Note Holder to its Operating Account. Note Holder's funds earn no interest while held in the Subscription Account. Promptly following the Transfer Date, the Fund will provide the Note Holder with counter-executed Documents, all of which, including the Promissory Note, will be dated as of the Transfer Date. A Note Holder's obligation to purchase a Note in the full amount indicated in the Note Holder's subscription Documents and delivered to the Fund shall be irrevocable until 30 days after the Deposit Date.

If the Fund has not transferred the Note Holder's funds to its Operating Account within 30 days after the Deposit Date (the "Unused Amounts"), the Note Holder shall be given notice

by the Fund and will have 10 calendar days to elect to either demand a return of the Unused Amounts or leave the Unused Amounts in the Subscription Account. If the Note Holder demands a return of the Unused Amounts, the Unused Amounts shall be returned to the Note Holder. If an Investor elects to leave the Unused Amounts in the Subscription Account, the election will become irrevocable for a period of 30 calendar days and the Unused Amounts shall remain in the Subscription Account subject to the Company's right to transfer the funds to its Operating Account, and the Note Holder shall remain obligated under this Subscription Agreement, and the funds shall again be treated for the next 30 days as detailed in this Section 3.2.

**3.3 Closing of Note Purchases.** Closing of purchases of the Notes shall occur upon the Transfer Date following acceptance of this Subscription Agreement by the GP of the Fund, in its sole discretion, with the close of each such sale being referred to as a Closing.

**3.4 Conditions to Closing.** Prior to Closing, you must deliver any Documents requested or required by the GP. Closing will be effective upon the Fund's (i) acceptance of this Agreement by its countersignature on the signature page, and (ii) having deposited in the U.S. Mail, or overnight delivery service, the following items for delivery to Note Holder:

- (a) A signed original Note executed by the Fund as of the Transfer Date;
- and
- (b) A copy of this Subscription Agreement fully executed by the Fund as to the Note Holder.

The Fund will deliver copies of the Note Holder's fully executed Documents to each Note Holder promptly upon the Closing of such Note Holder's purchase of a Note.

**4. Termination of Offering.** The Offering shall terminate on the date selected by the GP in its sole discretion.

**5. Minimum Investment.** Each Note Holder must purchase a Note with a minimum Principal amount of \$100,000 unless a waiver, signed by the GP, in its sole discretion, is provided.

**6. Representations of the Fund.** The Fund represents and warrants to each Note Holder as set forth below in this Section 6. All such representations and warranties to each Note Holder are as of the date this Agreement is accepted by the Fund, except as otherwise indicated:

**6.1 Corporate Existence and Power.** The Fund is a limited partnership duly organized and validly existing under the laws of the State of Delaware; and the Fund has full corporate power and authority to transact the business in which it is engaged and full power, authority, and legal right to enter into this Agreement and to incur and perform its obligations hereunder.

**6.2 Authority, No Contravention, Valid Issuance.** The making and performance by the Fund of this Agreement, and the issuance of the Notes (i) have been duly authorized, (ii) and to the Fund's and the GP's actual, current knowledge do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency, or any provision of the Fund's Certificate of Limited Partnership, as may be amended and/or restated, or Operating Agreement, as may be amended or restated, and, (iii) except for the terms and provisions of any senior Credit

Facility, do not and will not result in the breach of, or constitute a default or require any consent under (except to the extent such consent has been received), or result in the creation of any lien upon any properties or assets of the Fund pursuant to any other indenture, bank, or other credit agreement, mortgage, or other agreement or instrument to which the Fund is a party, or by which it or any of its properties may be bound or affected.

6.3 Binding Obligations. This Agreement has been duly executed and delivered by the Fund and constitutes the legal, valid, and binding obligation of the Fund, enforceable in accordance with its terms (subject to limitations as to enforceability which might result from bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally).

6.4 Approvals. To the Fund's actual and current knowledge, no authorization, consent, license, or approval of, or filing (except for filings with the appropriate office of states as may be required by securities laws of the Note Holder's state of residence, or with the SEC if and as required by federal securities laws) or registration with, or notification to, any governmental body or regulatory or supervisory authority is required for the execution, delivery, or performance by the Fund of this Agreement.

**7. Event of Default; Remedies.** Events of Default under the Note and the remedies therefore are described in the Note.

**8. Representations and Warranties of Note Holder.** Note Holder represents and warrants as of the date of this Agreement and the closing date of the transaction contemplated hereby as follows:

8.1 Authority to Execute Agreement. Note Holder has full power and authority and legal right to execute and deliver this Subscription Agreement and to incur and perform Note Holder's obligations hereunder, and the performance by the Note Holder of this Subscription Agreement has been duly authorized by all necessary action of the Note Holder.

8.2 Purchase Entirely for Own Account. Note Holder is purchasing the Notes solely for Note Holder's own account for investment and not with a view to or for sale or distribution and not with any present intention of selling, offering to sell, or otherwise disposing of or distributing the Notes, as the case may be, in any transaction other than a transaction complying with the registration requirements of the Securities Act or pursuant to an exemption therefrom. Note Holder also represents that the entire legal and beneficial interest of the Notes, as the case may be, is being purchased by Note Holder for Note Holder's account and is purchased neither in whole nor in part for any other person or entity.

8.3 Accredited Investor. Note Holder maintains his, her or its domicile at the address shown in the Signature Page hereto and is not merely transient or temporarily resident there. Note Holder has completed a Suitability Statement and provided other verifying information to document Note Holder's status as an Accredited Investor or "Non-Resident Alien," either in hard copy or online, as applicable. All information provided by Note Holder, including such Suitability Statement and verifying information is complete and accurate. Note Holder is an "accredited investor" as defined under Rule 501 of Regulation D under the Securities Act of 1933, as amended. Note Holder is aware that Fund is relying upon the accuracy of that information and the representations and warranties herein in issuing a Note or Notes to the Note Holder. Note Holder also agrees to submit such additional materials including without limitation, financial statements, as the Fund reasonably requests to further confirm the information contained in this section.

8.4 Access to Information. Note Holder acknowledges receipt of the PPM and understands the risks of, and other considerations relating to, a purchase of Notes, including the risks set forth under the caption "Certain Investment Considerations and Risk Factors" in the PPM. Note Holder has had the opportunity to fully investigate the investment Note Holder is making in the Notes, including, without limitation (i) the opportunity to discuss the Fund's business and financial condition, properties, operations, and prospects with the Fund's management, and (ii) ask questions of principals of the GP of the Fund, which questions, if any, were answered to Note Holder's satisfaction. Note Holder represents that he, she, or it has reviewed the Documents prepared by the Fund and has asked such questions as Note Holder may have concerning the Documents and received satisfactory answers to all such questions, if any, and has not relied on any matters outside those described in the Documents in making Note Holder's decision to purchase a Note or Notes. Note Holder also confirms his, her, or its understanding that (i) all projections of future performance by the Fund and representations or forward-looking statements concerning future performance by the Fund contained in the Documents generally, and in the PPM specifically, are based on the GP's good faith projections or belief, and do not represent commitments or warranties of any particular performance by the Fund, (ii) that no particular performance by the Fund can be assured, and (iii) that all such forward-looking statements must be regarded as highly speculative and uncertain.

8.5 Investment Experience; Ability to Sustain Loss. Note Holder has carefully reviewed this Subscription Agreement, the PPM, and the other Documents, is experienced in investments comparable to those of the Fund, is able to fend for her, him, or itself, and has such knowledge and experience in financial or business matters that he, she, or it is capable of evaluating the merits and risks of the investment in the Notes. Note Holder understands the risks associated with purchasing the Notes in particular. Note Holder is able to sustain the loss of Note Holder's entire investment of Principal in the Notes. If Note Holder is a legal entity, then Note Holder has not been organized for the purpose of purchasing or otherwise acquiring the Notes.

8.6 Understanding of Risks. Note Holder confirms his, her, or its understanding that the Fund and its proposed transactions are subject to all the risks inherent in transactions involving the Fund's business, investment objectives, multiple parties, and lenders. Note Holder has read and reviewed the Documents, including the PPM, with such of Note Holder's attorneys, advisors, and agents as Note Holder has deemed necessary to make an informed decision about the purchase of the Notes.

8.7 Portfolio Interest Exception. Note Holder acknowledges and understands that although the GP has attempted to prepare the Notes in a manner that non-U.S. Investors purchasing the Notes will qualify for the portfolio interest exception under U.S. tax law, neither the Fund nor the GP can guarantee that the Notes will be treated that way by the IRS or other U.S. state taxing authorities. Non-U.S. Investors purchasing Notes must consult with their own legal and tax advisors concerning this issue and must not rely on any representations by the Fund, the GP, or their respective Affiliates concerning tax treatment of the Notes under U.S. law.

8.8 No Conflict or Violation. The execution, delivery, and performance of this Subscription Agreement by Note Holder (i) does not require the consent, approval, or authorization of any governmental or regulatory authority, (ii) will not violate any applicable law, judgment, order, injunction, decree, rule, regulation, or ruling of any governmental authority applicable to Note Holder, and (iii) does not and will not result in a breach of any terms, conditions, or provisions of, or constitute a default under any charter, bylaws, trust agreement, partnership agreement, or other governing instrument applicable to the Note

Holder or any indenture, mortgage, deed of trust, credit agreement, note, or other evidence of indebtedness, or any lease or other agreement or understanding applicable to the Note Holder.

**8.9 Restricted Securities.** Note Holder understands that the Notes have not been registered under the Securities Act in reliance upon an exemption from registration. Such exemption depends upon, among other things, the good faith nature of Note Holder's investment intent stated in this Subscription Agreement and Note Holder's qualified status as an Accredited Investor or "Non-Resident Alien" as described in Section 8.3 above. Note Holder understands that the Notes must be held by the Note Holder and not transferred, unless the Fund consents in writing, or unless the Notes are subsequently registered under the Securities Act, or unless an exemption from registration is otherwise available. Note Holder understands that the Fund is not obligated to register the Notes. Note Holder also understands that the Notes may not be offered, sold, transferred, pledged, or otherwise disposed of in the absence of an effective registration statement under the Securities Act and applicable state securities laws or an opinion of counsel acceptable to the Fund that such registration is not required, or the written consent of the Fund is given, which consent may be withheld for any reason by the Fund.

**8.10 Anti-Money Laundering.** Note Holder is not a person, government, country, or entity: (i) that is listed in the Annex to, or is otherwise subject to the provisions of, United States Executive Order 13224, as issued on September 24, 2001 ("EO 13224") which list is published at <http://www.treasury.gov/terrorism.html>); (ii) whose name appears on the most current U.S. Office of Foreign Assets Control ("OFAC") list of "Specifically Designated Nationals and Blocked Persons" (which list is published on the OFAC website, <http://www.treas.gov/ofac>); (iii) who commits, threatens to commit, or supports "terrorism," as that term is defined in EO 13224; or (iv) who is otherwise affiliated with any person, government, country, or entity listed above. Any funds used by the Note Holder to invest in the Fund were not, directly or indirectly, derived from activities that may contravene U.S. federal and/or state laws and regulations, including anti-money laundering laws or that may contravene the anti-money laundering laws of any other jurisdiction. If Note Holder is an entity, Note Holder represents that Note Holder (i) has carried out thorough due diligence to establish the identities of its beneficial owners and (ii) holds the evidence of such identities and status and will maintain such information for at least five years from the date of Note Holder's complete withdrawal from the Fund, and (iii) Note Holder will make available such information and any additional information that the Fund may require upon request that is required under applicable regulations. Note Holder acknowledges and agrees that the GP may be required to verify Note Holder's identity and take other action under applicable anti-money laundering laws and regulations. Note Holder agrees to promptly furnish such information as is necessary for the GP to comply with these requirements. In the event of delay or failure by Note Holder to produce any information required for verification purposes, the GP may refuse to accept your subscription and funds until proper information has been provided and any funds received will be returned without interest to the account from which the moneys were originally debited. Note Holder understands, acknowledges and agrees that the GP shall be authorized, without the consent of any Person, including the Note Holder or any other Note Holder, to take such action as it determines to be necessary or advisable to comply, or to cause the Fund to comply, with any anti-money-laundering or anti-terrorist laws, rules, regulations, directives or special measures. Notwithstanding anything to the contrary contained in any Subscription Agreement or other document, if, at any time following any Note Holder's acquisition of a Note, it is discovered that such Note Holder's investment in the Note is in contravention of any United States, international or other money laundering laws, regulations or conventions, the Note will be deemed redeemed immediately without penalty to the Company and Note Holder shall have no claim arising out of such redemption for any



fees, costs, expenses, losses or damages, including legal fees and expenses, against the Company, the GP, any Affiliate of the GP or any of their respective shareholders, partners, members, other equity holders, officers, directors, employees, managers, agents and other representatives, other than, if permitted by law, the right to receive payment for the Note, in a manner determined in good faith by the GP in its sole discretion. Any proceeds of such Note upon Repayment pursuant to this Section 8.10 or otherwise will be paid to the same account from which the Note Holder's investment in Note was originally remitted, unless the GP, in its sole discretion, agrees otherwise, less any penalty, fine, forfeiture, withholding or seizure imposed or ordered by any governmental agency.

**8.11 Conflicts of Interest.** Note Holder acknowledges and agrees that the GP and its Affiliates will be subject to various conflicts of interest, many of which are disclosed in the PPM, in carrying out the GP's responsibilities to the Fund. Note Holder understands and acknowledges that the GP will be acting as Representative of the Note Holders and that, in the event of default, the Representative may determine actions and act on behalf of the Note Holders in the GP's sole discretion with only limited ability of the Note Holders to direct the GP to take an action as the Representative. Note Holder acknowledges and agrees that the Fund may engage the GP or Affiliates of the GP to perform services for and on behalf of the Fund. Note Holder also understands and acknowledges that the Fund may, in connection with such services, pay to the GP or such Affiliates various commissions, fees, and other compensation. Note Holder also understands and acknowledges that the GP or such Affiliates may receive commissions or fees from unrelated third parties with whom the Fund is purchasing or selling a real property asset or engaging in another transaction. Note Holder understands and acknowledges that the foregoing, as well as the other transactions and relationships among the Fund, the GP, and the GP's Affiliates described in the PPM, may present potential conflicts of interest as between the Fund and the Note Holders on one hand, and the GP or such Affiliates on the other hand. By subscribing for a Note and executing the Documents, Note Holder waives any such conflicts, whether or not identified in the PPM.

**8.12 No Investment Advice.** Note Holder acknowledges and understands that, although Fairway America Investment Advisors, LLC ("FAIA") is a Registered Investment Advisor, neither FAIA nor any other Affiliate of the GP is registered for purposes of offering investment advice to potential Investors in the Fund, including Note Holder. Instead, FAIA's clients are the Fund itself and other funds affiliated with Fairway America, LLC. For more information about FAIA, please see the Addendum attached to the PPM.

**8.13 Securities Act Matters.** Note Holder represents and warrants that it has not been subject to any event specified in Rule 506(d)(1) of the Securities Act or any proceeding or event that could result in any such disqualifying event ("Disqualifying Event") that would either require disclosure under the provisions of Rule 506(e) of the Securities Act or result in disqualification under Rule 506(d)(1) of the Fund's use of the exemption afforded pursuant to Rule 506 of Regulation D under the Securities Act (the "Rule 506 Exemption"). Note Holder will immediately notify the Fund in writing if it becomes subject to a Disqualifying Event at any time after the date hereof. In the event that Note Holder becomes subject to a Disqualifying Event at any time after the date hereof, Note Holder agrees and covenants to use its best efforts to coordinate with the Fund (i) to provide documentation as requested by the GP related to any such Disqualifying Event and (ii) to implement a remedy to address the Note Holder's changed circumstances such that the changed circumstances will not affect in any way the Fund's or its Affiliates' ongoing or future reliance on the Rule 506 Exemption. Note Holder also acknowledges that the Fund may periodically request assurance that Note Holder has not become subject to a Disqualifying Event at any time after the date hereof, and Note Holder further acknowledges and agrees that the Fund shall understand and deem the

failure by Note Holder to respond in writing to such requests to be an affirmation and restatement of the representations, warranties and covenants in this Section 8.13.

8.14 Accuracy of Information. All of the information provided by Note Holder through the Fund's online portal, in response to this Agreement (including in the Investor Suitability Statement), or otherwise, is true, correct, and complete in all respects. All of the representations and information provided by Note Holder in this Subscription Agreement and any additional information which Note Holder has furnished to the Fund with respect to Note Holder's financial position and business experience is accurate and complete as of the date that this Subscription Agreement was executed by Note Holder. Any other information Note Holder has provided to the GP or the Fund about Note Holder, whether provided online or in hard copy format, is correct and complete as of the date of this Agreement.

8.15 Conflicts of Interest. Note Holder understands and agrees that the Fund may engage Affiliates of the GP to perform services for and on behalf of the Fund. Note Holder also understands that the Fund may, in connection with such services, pay to such Affiliates brokerage commissions and fees, property management fees, and other compensation. Note Holder also understands and agrees that Affiliates of the Fund may receive commissions or fees from unrelated third parties with whom the Fund is purchasing or selling a real property asset or engaging in another transaction, and that in such event, such Affiliate may have a potentially conflicting division of loyalties and responsibilities regarding the Fund and the other parties to the transaction. Note Holder has read and understands the Conflicts of Interest section of the PPM and is making an investment in the Notes with the full knowledge of the actual and potential conflicts of interest that are inherent in the structure and operation of the Fund. By subscribing for Notes, you waive any such conflicts of the GP and its Affiliates whether or not identified in the PPM.

8.16 FOR NON-U.S. INVESTORS ONLY - Declaration of Non-US Citizenship. This Section 8.16 shall apply if Note Holder is not a U.S. person. Note Holder represents and certifies that it is a non-U.S. resident individual or entity. The Note Holder further represents and certifies that the interest due to it under the Note is not connected to any U.S. trade or business conducted by the Note Holder. The Note Holder agrees further to provide the Fund with any additional documentation requested by the Fund to confirm that fact that the Note Holder is a non-resident alien individual or entity, including, without limitation, Form W-8BEN, W-8BEN-E, or a similar form.

8.17 FOR NON-U.S. INVESTORS ONLY - Declaration of Ownership. If the Note Holder is a non-U.S. Person, the Note Holder represents and certifies that it does not, directly or indirectly, own 10% or more of the Fund's outstanding Units. The Note Holder agrees to notify the GP immediately if the Note Holder obtains any Units in the Fund after the date of this Agreement, either directly or through other individuals or entities.

8.18 Privacy Notice. If Note Holder is a natural person, grantor trust or 401(k)/IRA investor, Note Holder acknowledges receipt of the notice included in the Overview to which this Agreement is attached regarding privacy of financial information under Regulation S-P, 17 C.F.R. 248.1 - 248.30 ("Regulation S-P"), adopted by the SEC pursuant to the privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act of 1999, and agree that the Notes are a financial product that Note Holder has requested and authorized. In accordance with Section 14 of Regulation S-P, Note Holder acknowledges and agrees that the Fund may disclose Note Holder's nonpublic personal information to other Note Holders, as well as to the Fund's accountants, attorneys and other service providers as necessary to effect, administer and enforce the Fund's and the Note Holder's rights and obligations.

8.19 North Capital Private Securities Corporation Offering Disclosure and Form CRS. By signing this Agreement you acknowledge that you have read and understand the North Capital Private Securities Corporation Offering Disclosure and Form CRS, attached hereto as Attachment A, and you agree to their terms.

**9. Covenants.** The following covenants last for so long as each Note Holder holds any Notes:

9.1 Survival of Representations, Warranties and Covenants; Duty to Inform. All representations and warranties made by Note Holder in Section 8 of this Agreement will survive the execution and delivery of this Agreement and the issue and sale of the Note. If there should be any change in any representation, warranty, or information provided to the Fund prior to the sale of the Note subscribed for herein, Note Holder will immediately furnish accurate and complete information concerning any such material change to the Fund.

9.2 Reliance. Note Holder acknowledges that Note Holder's representations, warranties, acknowledgments, covenants, and agreements in this Agreement (including in the Investor Suitability Statement) will be relied upon by the Fund in determining Note Holder suitability as a purchaser of the Note.

9.3 Further Assurances. Note Holder agrees to provide, if requested, any additional information that may be requested or required to determine Note Holder's eligibility to purchase the Note.

9.4 Compliance with Laws. The Fund will comply with the requirements of all applicable laws, rules, regulations, and orders of any governmental authority, except where contested in good faith and by proper proceedings.

9.5 Taxes.

(a) The Fund. The Fund will pay and discharge all taxes, assessments, and governmental charges or levies imposed upon the Fund or upon its income or profits or upon any property belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien upon its property, provided that it shall not be required to pay any such tax assessment, charge, levy, or claim, the payment of which is being contested in good faith and by proper proceedings and in respect of which it is maintaining adequate reserves.

(b) Note Holder. Note Holder has read the Documents, understands the tax aspects and risks associated with the purchase of the Notes, and agrees that the Note Holder shall be solely and entirely responsible for any and all tax payments, tax obligations, fees, and assessments along with all reporting of Note Holder's tax consequences, as a result of the purchase of, and any income from, the Notes. The Fund shall have no obligation, responsibility, or liability to the Note Holder in connection with the payment or remittance of any taxes or tax filings required to be made by the Note Holder.

## **10. Restrictions on Transfer of Notes.**

10.1 Restrictions. In addition to any other restrictions on transfer imposed by applicable federal or state securities laws, no Note Holder may transfer any interest in any of the Notes except as provided in this Section 10. Note Holder understands that the Notes may not be offered, sold, transferred, pledged, or otherwise disposed of unless the written consent of the Fund is given, which consent may be withheld for any reason by the Fund, and the



Fund receives an opinion of counsel acceptable to the Fund that registration is not required for such Transfer.

10.2 Obligations Binding Upon Transferees. Any permitted transferee of Notes or any interest therein will receive and hold such Notes or interests subject to the provisions of this Section 10. Any such transferee shall agree in writing that the transferee shall hold the Notes subject to the provisions of this Section 10 and that no further transfers shall be made except as provided in this Section 10.

10.3 Purported Transfers in Violation. Any purported transfer of Notes in violation of the provisions of this Section 10 is null and void and shall be of no effect. The purported transferee shall have no interest in any of the Notes purported to be transferred. Each Note Holder agrees that in the event of a purported transfer of Notes in violation of the provisions of this Section 10, the Fund may enforce the provisions of this Section 10 by specific performance or other injunctive relief, in addition to any of the remedies available at law or in equity.

## **11. Other Matters.**

11.1 Amendments. This Subscription Agreement may be amended or modified only in writing signed by the Note Holder and the GP of the Fund on behalf of the Fund.

11.2 Assignment. This Subscription Agreement shall not be assigned by the Note Holder without the prior written consent of the Fund. Any purported assignment of this Subscription Agreement in violation of this Agreement is null and void and shall be of no effect.

11.3 Counterparts; Facsimile. This Subscription Agreement may be executed electronically and in counterparts, each of which shall be deemed an original and all of which shall together constitute the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

11.4 Expenses and Attorneys' Fees. Each party shall pay its own costs and expenses incurred in connection with the negotiation, execution, delivery, and performance of this Subscription Agreement. Each party in any suit, action, or appeal filed or held concerning this Subscription Agreement shall be responsible for its own attorneys' fees and shall not be responsible for the attorneys' fees of any other party.

11.5 Additional Information. Each of the parties shall promptly execute and deliver such additional documents and shall do such acts that are reasonably necessary in connection with the performance of their respective obligations hereunder to carry out the intent of this Subscription Agreement.

11.6 Governing Law. This Subscription Agreement shall be governed and construed according to Delaware Law. The exclusive venue for all disputes arising out of or relating to this Agreement shall be the federal or state courts located in Multnomah County, Oregon. The Note Holder irrevocably consents to the exercise of personal jurisdiction over him, her, or it by such courts for purposes of resolving such disputes.

11.7 Confidentiality. The Note Holder acknowledges that the information provided to it regarding the Fund is confidential and nonpublic. The Note Holder agrees that all of the information will be kept in confidence and will be neither used to its personal benefit (other than in connection with its subscription for the Notes) nor disclosed to any third party. This obligation does not apply to any such information which (a) is part of public knowledge or is readily accessible as literature at the date of this Subscription Agreement, (b) becomes part of public knowledge or literature and, thus, becomes readily accessible by publication (except as a result of a breach of this provision), or (c) is received from third parties (except third parties who disclose it in violation of any confidentiality agreement they may have with the Fund).

11.8 Notices. All notices or other communications required or permitted by this Subscription Agreement must be in writing; must be delivered to the Fund and the GP at the addresses set forth below, or any other address that a party may designate by notice to the other parties; and are considered delivered upon (i) actual receipt if delivered personally, (ii) one day after deposit with a nationally recognized overnight delivery service, or (iii) at the end of the third business day after the date of deposit in the United States mail, postage prepaid, certified, return receipt requested.

**To Fund:** Fairway America Fund VII LP  
16150 SW Upper Boones Ferry Road  
Portland, OR 97224

**To GP:** Fairway America Management Group II LLC  
16150 SW Upper Boones Ferry Road  
Portland, OR 97224

11.9 Non-Waiver. A waiver of one or more breaches of any clause of this Subscription Agreement shall not act to waive any other breach, whether of the same or different causes.

11.10 Severability. Each clause of this Subscription Agreement is severable. If any clause is ruled void or unenforceable, then the balance of this Subscription Agreement shall nonetheless remain in effect.

11.11 Term. Unless otherwise agreed to in writing by the parties, this Subscription Agreement shall remain in full force and effect and shall not terminate.

[The remainder of this page deliberately left blank]

## 12. Suitability Statements.

### FOR INDIVIDUALS

INITIAL TO INDICATE IF THE STATEMENT IS TRUE OR FALSE, OR COMPLETE THE STATEMENT, AS APPROPRIATE. YOU MUST RESPOND TO EACH STATEMENT

Verification of Status as "Accredited Investor" under Regulation D. The General Partner may require additional documentation to verify your status as an Accredited Investor.

1.                     
          True    False      Your personal net worth, taken together with the net worth of your spouse (or spousal equivalent), exceeds \$1,000,000. Net worth for this purpose means total assets (excluding your primary residence<sup>1</sup>) in excess of total liabilities.
  
2.                     
          True    False      You had a personal individual income in excess of \$200,000 in each of the two previous years, or joint income with your spouse (or spousal equivalent) in excess of \$300,000 in each of those years, and reasonably expect to reach the same income level in the current year.
  
3.                     
          True    False      You personally actively hold one of the following professional licenses: Series 7, Series 82, or Series 65 and are in good standing with FINRA.
  
4.                     
          True    False      You are a knowledgeable employee of the Fund, or a knowledgeable employee of an affiliated person or entity that manages the investment activities of the Fund, as described in Rule 3c-5 of the Investment Company Act of 1940.
  
5.                     
          True    False      You are an executive officer of the Fund, or a manager or executive officer of the General Partner of the Fund.
  
6.                     
          True    False      You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of investing in the Units.

---

<sup>1</sup>For purposes of this question, "excluding your personal residence" means:

(A) Your primary residence shall not be included as an asset;

(B) Indebtedness that is secured by your primary residence, up to the estimated fair market value of your primary residence at the time of your subscription, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of your subscription exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of your primary residence, the amount of such excess shall be included as a liability); and

(C) Indebtedness that is secured by your primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

7.  True  False      You are investing as an individual retirement account or other type of retirement account, of which you are the beneficiary and are responsible for directing the investment decisions of that retirement account.

Disclosure of Foreign Citizenship.

1.  True  False      You are a citizen of the United States.

If the answer to the preceding question is false, specify the country of which you are a citizen \_\_\_\_\_.

## **FOR ENTITIES OTHER THAN INDIVIDUALS**

INITIAL TO INDICATE IF THE STATEMENT IS TRUE OR FALSE, OR COMPLETE THE STATEMENT, AS APPROPRIATE. YOU MUST RESPOND TO EACH STATEMENT.

Verification of Status as "Accredited Investor" under Regulation D. The General Partner may require additional documentation to verify your status as an accredited investor.

1.       True     False      You are one of the following types of entities, were not formed for the specific purpose of acquiring the securities offered, and have total assets in excess of \$5,000,000: (i) a limited liability company, (ii) a partnership, (iii) a corporation, (iv) an organization described in Section 501(c)(3) of the Internal Revenue Code, or (v) a Massachusetts or similar business trust.
  
2.       True     False      You are a trust, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000 and whose purchase is directed by a sophisticated person.
  
3.       True     False      You are a "family office" or a "family client" of a "family office" with at least \$5,000,000 in assets under management, as each term is defined under the Investment Advisers Act.
  
4.       True     False      You are an entity as to which all the equity owners are accredited investors.
  
5.       True     False      You are an SEC- or state-registered investment adviser, exempt reporting adviser, or a rural business investment company.
  
6.       True     False      You (i) were not formed, and (ii) are not being utilized, primarily for the purpose of making an investment in the Fund. Additionally, your investment in this Fund does not exceed 40% of the aggregate capital committed to you by your partners, shareholders or others.
  
7.       True     False      You are (i) a bank, or any savings and loan association or other institution acting in its individual or fiduciary capacity; (ii) a broker dealer; (iii) an insurance company; (iv) an investment company or a business development company under the Investment Company Act of 1940; (v) a Small Business Investment Company licensed by the U.S. Small Business Administration; (vi) an employee benefit plan whose investment decision is being made by a plan fiduciary, which is either a bank, savings and loan association, insurance

company or registered investment adviser, or an employee benefit plan whose total assets are in excess of \$5,000,000 or a self-directed employee benefit plan whose investment decisions are made solely by persons that are accredited investors; or (vii) a plan established and maintained by a state of the United States, its political subdivisions, or any agency or instrumentality of a state of the United States or its political subdivisions, for the benefit of its employees that has total assets in excess of \$5,000,000.

8.                      
      True   False     You are a private business development company as defined in Section 202 (a) (22) of the Investment Advisors Act of 1940.
9.                      
      True   False     You are an entity, including an Indian tribe, governmental body, fund, or entity organized under the laws of a foreign country, that owns "investments," as defined in Rule 2a51-1(b) under the Investment Company Act, in excess of \$5,000,000 and you were not formed for the specific purpose of investing in the Fund.
10.                     
      True   False     You are, or are acting on behalf of, (i) an employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not such plan is subject to ERISA, (ii) a plan described in Section 4975(e)(1) of the Code or (iii) an entity which is deemed to hold the assets of any such employee benefit plan pursuant to 29 C.F.R. § 2510.3-101. For example, a plan which is maintained by a foreign corporation, governmental entity or church, a Keogh plan covering no common-law employees and an individual retirement account are employee benefit plans within the meaning of Section 3(3) of ERISA but generally are not subject to ERISA (collectively, "Non-ERISA Plans"). In general, a foreign or U.S. entity which is not an operating company and which is not publicly traded or registered as an investment company under the Investment Company Act and in which 25% or more of the value of any class of equity interests is held by employee pension or welfare plans (including an entity which is deemed to hold the assets of any such plan), would be deemed to hold the assets of one or more employee benefit plans pursuant to 29 C.F.R. § 2510.3-101. However, if only Non-ERISA Plans were invested in such an entity, the entity generally would not be subject to ERISA. For purposes of determining whether this 25% threshold has been met or exceeded, the value of any equity interests held by a person (other than such a plan or entity) who has discretionary authority or control with respect to the assets of the entity, or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliates of such person, is disregarded.

11.  True  False You are, or are acting on behalf of, such an employee benefit plan, that is subject to ERISA or a plan described in Section 4975(e)(1) of the Code, or are an entity deemed to hold the assets of any such plan or plans (i.e., you are subject to ERISA).
12.  True  False You are a U.S. pension trust or governmental plan qualified under Section 401(a) of the Code or a U.S. tax-exempt organization qualified under Section 501(c)(3) of the Code with more than \$5 million in assets.
13.  True  False You are acting on behalf of an insurance company general account and any part of the general account represents interests that may be deemed to be assets of benefit plan investors under applicable law.

Disclosure of Foreign Ownership.

1.                                You are an entity organized under the laws of a jurisdiction  
      True   False               other than those of the United States or any state, territory or  
                                      possession of the United States.
  
2.                                You are a corporation of which, in the aggregate, more than  
      True   False               one-fourth of the capital stock is owned of record or voted by  
                                      foreign citizens, foreign entities, foreign corporations or foreign  
                                      partnerships.
  
3.                                You are a general or limited partnership of which any general  
      True   False               or limited partner is a foreign citizen, foreign entity, foreign  
                                      government, foreign corporation or foreign partnership.
  
4.                                You are a representative of, or entity controlled by, any of the  
      True   False               entities listed in items 1 through 3 above.

If you answered true to any of questions 1 through 4, what is the percentage of:

Your aggregate capital commitment that will be contributed directly or indirectly by any person or entity listed in items 1 through 4 above?         %

for a pension fund, your non-U.S. beneficiaries?         %

for a corporation, your direct and indirect foreign ownership         %

for a trust, your foreign beneficial interest?         %

for a partnership or limited liability company, your direct and indirect foreign ownership?         %



**SUBSCRIPTION AGREEMENT  
SIGNATURE PAGES**

IN WITNESS WHEREOF, the undersigned has executed this Note Subscription Agreement for the acquisition of a Note to be issued by the Fund.

**NOTE HOLDER NAME:**

\_\_\_\_\_  
Print Note Holder's name in full exactly as it should appear on the Note

**SUBSCRIPTION TERMS:** Please find information from the Note Schedule which is a separate document than the Subscription Booklet.

Note and Term Tiers: \_\_\_\_\_ Note Schedule: 20\_\_\_\_\_ Q\_\_\_\_\_  
(Example A1, B3 etc.)

Note Amount: US\$\_\_\_\_\_,000.00

Term: \_\_\_\_\_ Months

Note Rate: \_\_\_\_\_ % Per Annum, Paid Monthly

Please check if you want interest rolled into Principal rather than paid out.

**FORM OF PAYMENT:** The total amount must equal the Principal amount of the Note.

Enclosed check for US\$\_\_\_\_\_.00.

Wire Transfer for US\$\_\_\_\_\_.00 (Please see wiring instructions)

\* \* \* \* \*

(Signatures appear on the following page)

**If Purchaser is an individual, sign below and provide the requested information:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Social Security Number

**If purchasing jointly, additional individual should sign below:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Social Security Number

**Purchaser(s) Information:**

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

Mailing Address, if different: \_\_\_\_\_  
\_\_\_\_\_

Home No.: \_\_\_\_\_

Work No.: \_\_\_\_\_

Mobile No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email: \_\_\_\_\_

Add'l Email: \_\_\_\_\_

**FUND ACCEPTANCE OF NOTE HOLDER:** The undersigned hereby accepts the foregoing Subscription Agreement for Fairway America Fund VII LP and, subject to delivery of payment and other documents to be delivered by the Note Holder, agrees that the Note Holder shall become a holder of the Notes effective as of the date the Note Holder's invested funds are transferred to the Fund's Operating Account.

**Accepted:**

**FAIRWAY AMERICA FUND VII LP**

By: Fairway America Management Group II LLC,  
as GP

By: \_\_\_\_\_  
Matthew W. Burk, Manager



**If Purchaser is an entity, an authorized individual signs below:**

\_\_\_\_\_  
Print Name of Entity

\_\_\_\_\_  
Type of Entity

\_\_\_\_\_  
Tax Identification Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title or Capacity

**Entity/Trustee Information:**

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

Mailing Address, if different: \_\_\_\_\_  
\_\_\_\_\_

Home No.: \_\_\_\_\_

Work No.: \_\_\_\_\_

Mobile No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email: \_\_\_\_\_

Add'l Email: \_\_\_\_\_

**FUND ACCEPTANCE OF NOTE HOLDER:** The undersigned hereby accepts the foregoing Subscription Agreement for Fairway America Fund VII LP and, subject to delivery of payment and other documents to be delivered by the Note Holder, agrees that the Note Holder shall become a holder of the Notes effective as of the date the Note Holder's invested funds are transferred to the Fund's Operating Account.

**Accepted:**

**FAIRWAY AMERICA FUND VII LP**

By: Fairway America Management Group II LLC,  
as GP

By: \_\_\_\_\_  
Matthew W. Burk, Manager





## OFFERING DISCLOSURE

North Capital Private Securities Corporation (“NCPS”), a broker-dealer registered with the U.S. Securities and Exchange Commission and a member of [FINRA](#) and [SIPC](#), has been appointed as a placement agent for Fairway America Fund VII LP’s (“Issuer”) private placement or other exempt offering (the “Offering”) of debt, equity or hybrid securities (the “Securities”) described in the Issuer’s offering documents (the “Offering Materials”). Prospective investors should read and understand the following disclosures, which are provided by NCPS in addition to the disclosures in the Offering Materials provided by the Issuer.

**NCPS WILL RECEIVE FEES.** NCPS, collectively with its associated persons, shall receive transaction fees in the amount of 1.0% of capital raised, in addition to certain costs and expenses.

**NCPS DOES NOT MAKE INVESTMENT RECOMMENDATIONS OR GIVE INVESTMENT ADVICE.** NCPS does not give investment advice and does not make investment recommendations to any investors. No communications in any medium should be construed as a recommendation to purchase any Securities in the Offering. NCPS is not recommending that you purchase Securities in the Offering. NCPS does not provide “due diligence” on an investor’s behalf and is not responsible for investors’ investment decisions.

**NCPS IS NOT YOUR ADVISOR.** NCPS is not your advisor, is not a fiduciary, and does not offer investment advice to any investor. NCPS recommends that you seek advice from and consult with a registered investment advisor, attorney, accountant, or other licensed professionals who have the expertise to help you understand and assess the risks associated with the Securities.

**NCPS HAS NOT INDEPENDENTLY VERIFIED ANY MATERIALS ASSOCIATED WITH THE OFFERING.** The Offering Materials have been prepared solely by the Issuer, and any materials prepared by NCPS were created in reliance on the Offering Materials and reviewed and approved by the Issuer. All statements, representations, and other information contained therein are the sole responsibility of the Issuer and are believed by NCPS to be materially correct and free of material omissions.

**DISCLAIMER OF VALUATION.** NCPS does not independently verify any valuation of the Securities, including, without limitation, any methodology or information in support thereof, and any such valuation does not constitute an opinion from NCPS such as on the Issuer’s current or future business performance or otherwise. The Securities are not publicly traded and no market exists (and may never exist) for the Securities; there is no actual market price for the Securities.

**NCPS AND PROSPECTIVE INVESTORS HAVE MATERIAL CONFLICTS OF INTEREST.** NCPS is an agent of the Issuer and it receives transaction fees based on the volume of Securities sold by it and its associated persons in the Offering.

**INVESTMENT IN THE SECURITIES IS HIGH-RISK.** All exempt offerings, including the Offering, are considered to be high-risk due to their limited liquidity and required disclosures compared to public, registered, listed offerings. The Issuer has a limited operating history, and as such, any projections, forecasts, and/or extrapolations are hypothetical and subject to change. Any investment in Securities issued by the Issuer is, by definition, speculative and high-risk. Prospective investors should understand that they may lose their entire investment. Prospective investors should carefully review the Offering Materials for a complete discussion of risk factors.

**THE SECURITIES BEING OFFERED ARE ILLIQUID, RESTRICTED SECURITIES.** The Securities are illiquid and are subject to federal and state restrictions on resale. Prospective investors should not assume they will ever be able to resell or transfer their Securities.

**SUBMITTING A COMPLAINT.** Should any investor have a complaint about NCPS, its partners, or the Offering, complaints can be filed using the complaint form located at the bottom of the page in the footer menu of NCPS’s website at <https://www.northcapital.com>.

## DATA COLLECTION

NCPS and its designated agents and representatives will collect and retain information, records and data in connection with your investment in the Offering, and will share such information with its partners as appropriate, required or advisable to facilitate the transactions contemplated by the Offering and to comply with applicable legal and regulatory obligations. Visit NCPS’s website at <https://www.northcapital.com> for NCPS’s privacy policy, which is incorporated into this Offering Disclosure by reference.

**Form CRS - Relationship Summary**  
**North Capital Private Securities Corporation - 11/12/2020**

**Introduction**

North Capital Private Securities Corporation (NCPS) is a broker-dealer registered with the U.S. Securities and Exchange Commission. NCPS is a member of [FINRA](#) and [SIPC](#). Brokerage and investment advisory services differ, and that it is important for you to understand these differences. We are not an investment advisor and do not provide investment advisory services, portfolio management, or advice or recommendations about your overall investment portfolio or the types of account(s) you should have. Our brokerage business is narrowly focused on the sale of securities issued by the companies that we represent and secondary transactions in private securities. We are an issuer's agent, which means that unless we have a written agreement with you to the contrary, we are not your agent and we do not give advice or make recommendations about specific securities, types of securities or investment strategies involving securities. To the extent that a solicitation or call to action is deemed to be a recommendation under U.S. law or regulation, you should be aware that we are inherently conflicted with your interests and you should seek advice from an investment advisor or a broker who will act as your agent. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

**What Investment Services and Advice Can You Provide Me?**

**Description of Services:** We offer *agency brokerage services* to retail investors, including executing transactions in private placements and other exempt offerings under Reg A+, Reg D, and Reg S, for issuers we represent. We do not offer investment advice or recommendations. Limitations to these offerings include: they are illiquid, speculative, and high risk; they may not be suitable for you; the required minimum investment may be high; most offerings are only be available to accredited investors; fees and expenses are higher than other investments. Other risks are described more fully in our Disclosure Overview and in the offering materials for each investment. A particular risk to our business model is that we do not offer a diversified menu of private investments; we narrowly focus on offering securities of issuers for which we serve as managing dealer or placement agent, and the scope of our product offering is therefore limited compared to a broker that is offering you recommendations or advice.

We operate an *Alternative Trading System (ATS)*, the [PPEX ATS](#), that offers investors the ability to buy and sell private and other exempt securities on a secondary market. Limitations of the ATS include: we select the securities for listing on the ATS; securities you own or wish to buy may not be eligible for the ATS; buyers and sellers determine whether there is liquidity in a particular issue and its market price (if any); you might not be qualified to transact on the ATS; you must transact through a broker-dealer which can be NCPS or another broker-dealer. Refer to the PPEX User Agreement for a full discussion of ATS procedures, fees, and expenses.

We *custody* cash and certain assets for investors. Limitations on custody include: we do not give buy, sell, or hold recommendations on custodied assets and we do not monitor the performance of custodial accounts or any investments; we do not require a minimum account balance, but some of the investment products held by us might require minimum holding amounts; we do not custody public securities except for mutual funds and certain non-traded public issues; we charge fixed transaction fees and/or flat account fees and/or asset-based fees that could be significant as a percentage of the account balance. Refer to our account agreement for a full discussion of fees and expenses.

**Conversation Starters:** *Given my financial situation, should I choose a brokerage service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

**What Fees Will I Pay?**

**Description of Principal Fees and Costs:** You pay us fees, directly or indirectly through the issuer or its sponsor that has retained us, through which you make your investment. These fees vary depending on the issuer, type of security, number and size of transactions, account balance, and nature of services. Review the Fees and Expenses section of our Disclosure Overview and the offering materials for each offering for a full discussion of fees and costs. Since we are compensated by issuers when we serve as their agent, we have a conflict of interest in that we have an incentive to sell you securities from which we stand to profit most. When we receive fees based on the number or size of transactions, we have an incentive to encourage you to trade more often or in larger amounts. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Contact us for more information if you have questions about fees or expenses related to a product or service.

**Conversation Starters:** *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs*

**What Are Your Legal Obligations to me when providing recommendations? How else does your firm make money, and what conflicts of interest do you have?**

**Standard of Conduct:** We do not provide advice or recommendations about securities, investment strategies, or investment accounts. If you seek such advice, you should establish a relationship with an investment advisor or broker to serve as your agent. If a solicitation or call to action were deemed to be a recommendation under U.S. law or regulations, then we would be subject to Regulation BI and we would be required to act in your best interest and not put our interest ahead of yours. The way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they could affect your investment results. Here are some examples to help you understand what this means:

- We are an issuer's agent and receive third-party payments for selling their securities; we have a salesman's stake and are not your agent.
- We receive compensation based on the number and size of transactions; this creates an incentive for us to transact with you more often and in greater size, whether or not the transactions are in your best interest.
- Certain securities pay brokers higher fees than others; this creates an incentive for us to sell you securities on which we receive higher fees.

**Conversation Starters:** *Ask your financial professional: How might your conflicts of interest affect me, and how will you address them?*

**Additional Information:** You can find more information about our conflicts of interest and how we mitigate them in our Disclosure Overview and in the offering documents for each offering.

#### **How Do Your Financial Professionals Make Money?**

**Description of Compensation of Registered Representatives:** NCPS has both salaried personnel and independent contractors. Salaried personnel receive a salary and discretionary bonus based upon their individual performance and firm performance, and some institutional sales personnel receive commissions. All salaried personnel are eligible to receive equity in our parent company. No salaried personnel receive commissions from the sales of securities. Independent contractors are paid salaries and may receive bonuses from their principal employer, which is not an affiliate of NCPS. Some contract registered representatives also receive commissions for sales of securities issued, sponsored, or posted on a funding platform operated by the principal employer. Contract registered representatives, like employees of NCPS, are prohibited from giving advice or making recommendations with respect to specific securities or investment strategies. All contract registered representatives of NCPS are agency brokers, not advisors. Compensation is tied directly or derives from sales by us, which exacerbates the conflict of interest previously described.

#### **Do You or Your Financial Professionals Have Legal or Disciplinary History?**

**Yes.** While the firm does not have a legal or disciplinary history, certain registered representatives have a legal or disciplinary history to report. You can look up more information about us and our registered representatives at <https://www.investor.gov/CRS>.

**Conversation Starters:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

#### **Additional Information About North Capital Private Securities**

Additional information about us and the brokerage services we offer can be found on our website: <https://www.northcapital.com>. If you have any questions or would like to receive an up-to-date copy of this relationship summary, email [info@northcapital.com](mailto:info@northcapital.com) or call (888) 625 7768.

**Conversation Starters:** *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*