Disclosure Brochure

March 31, 2018

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This brochure provides information about the qualifications and business practices of Fairway America Investment Advisors, LLC (hereinafter "Fairway"). If you have any questions about the contents of this brochure, please contact us at 503.906.9100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Fairway is available on the SEC's website at www.adviserinfo.sec.gov.

Fairway is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

Since Fairway's last Brochure dated March 31, 2017, Fairway has been engaged to offer investment advice to a new fund, Fairway America Fund VIIQP, LP ("Fund VIIQP"), which is a 3(c)(7) fund for qualified purchasers only. Fairway also stopped advising Keiretsu Capital Real Estate Access Fund, LLC, effective as of September 31, 2017.

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Item 4. Advisory Business

Fairway America Investment Advisors, LLC ("Fairway") is an advisory firm to private real estate investment funds which focus in the small balance real estate finance industry.

Fairway advises one closed fund, Fairway America Fund V, LLC ("Fund V"), whose manager is Fairway America, LLC. Fund V is a roll-over fund which converted investors who purchased promissory notes of Fund IV as a debt investment ("Note Holders") to equity members of Fund V, which is in wind-down operations at this time.

Fairway advises three open private funds on behalf of each respective fund's manager or general partner: Fairway America Fund VI, LLC ("Fund VI"), whose manager is Fairway America Management Group II, LLC; Fairway America Fund VII, LP ("Fund VII"), whose general partner is Fairway America Management Group II, LLC; and Fairway America Fund VIIQP, LP ("Fund VIIQP"), whose general partner is Fairway America Management Group II, LLC. Fund V, Fund VI, Fund VII, and Fund VIIQP are each referred to as a "Fund," and are collectively referred to as the "Fairway Funds." The general partner or manager of each Fund is referred to as the "GP," and investors in each Fund, whether members or limited partners, are referred to herein as "Investors."

Other than Fund V, which is not accepting any new investments, the Fairway Funds are marketed using general solicitation under SEC Rule 506(c). Fund VII claims exemption under Section 3(c)(1) of the Investment Company Act, and is available to only accredited investors. Fund VIIQP claims exemption under Section 3(c)(7) of the Investment Company Act, and is available to only accredited investors who are also "qualified purchasers," as that term is defined in the Investment Company Act. Fund VI claims exemption under Section 3(c)(5) of the Investment company Act, and is available to only accredited investors.

Fairway is solely owned by Fairway America, LLC, an affiliated real estate origination and consulting firm, which, through its affiliated companies, also provides private fund administrative, technology, and accounting services, private fund formation consulting services, SBRE educational seminars, private fund capital raising services, and similar services. Fairway America, LLC's CEO and Principal is Matt Burk. Fairway's leadership team also includes COO and Principal, Lance Pederson; Chief Revenue Officer and Principal, Darris Cassidy; General Counsel, CCO, and Principal Jay Zollinger; and Chief Financial Officer John Wilson.

Fairway provides advisory and other services solely to private real estate investment funds employing unique investment strategies relating to investing in small balance real estate ("SBRE") assets. Over the past 20 years, its professionals have successfully launched, operated, and concluded multiple proprietary funds and have either funded, brokered, and/or serviced several hundred million dollars in commercial real estate loans and investments. Fairway's investment advice is tailored to the investment objectives, investment strategy and restrictions (if any) set forth in each of the respective Fairway Fund's operating agreement or agreement of limited partnership and private placement memorandum ("Offering Documents").

The Fairway Funds seek to create highly diversified portfolios of SBRE based assets by investing in a multitude of small real estate based assets ("Fund Assets") in order to: 1) preserve and protect Investor capital, 2) provide a reliable income stream to Investors (both Note Holders and equity Investors), and 3) diversify the overall risk to the Funds and its Investors. Fairway attempts to accomplish these goals either through direct investment in Fund Assets or by attempting to locate and vet high quality fund managers and real estate deal syndicators and originators ("Sponsors") with demonstrable character, integrity, track record, and managerial capabilities in their particular geographic area and real estate based asset type niche (underlying portfolio funds are the "Portfolio Funds" or "Target Funds").

The membership units ("Units") and promissory notes ("Notes") offered by the Fairway Funds (as defined more fully in each Fund's Offering Documents), are speculative and involve certain risks. There is no public market for the Units and Notes, nor will one develop. The fact that the price of the Units and Notes may fluctuate does not imply a public market or an accurate valuation of the Units and Notes. The Units and Notes are subject to restrictions on transfer.

The Units and Notes are suitable only for sophisticated investors for whom an investment in one or more of the Fairway Funds does not constitute a complete investment program and who fully understand, are willing to assume and have the financial resources necessary to withstand the risks involved in the investment program in which the applicable Fairway Fund will engage. Accordingly, offers and sales of securities in any of the Fairway Funds are limited to persons who meet certain suitability requirements. Each investor in one of the Fairway Funds will be required to make certain representations to that Fund, including representations as to investment intent, degree of sophistication, having access to information concerning the Fund and ability to bear the economic risk of the investment.

Fairway does not participate in any wrap fee programs.

As of December 31, 2017, Fairway managed approximately $63,320,143 on a discretionary basis across its three Fund clients that were then active (Fund VI, Fund VII, and Fund VIIQP).

Item 5. Fees and Compensation

Management Fees: The GPs of the Fairway Funds are entitled to management fees as set forth in the respective Fairway Fund's Offering Documents ("Management Fees"). The Management Fees are paid to Fairway pursuant to an investment advisory agreement executed between Fairway and the GPs of the Funds. Management Fees for Fund VI, Fund VII, and Fund VIIQP are 1.5% of the total assets under management. The Management Fees for Fund V were originally set at 2%, but have been reduced to 1% as the amount of AUM has diminished over time. Management Fees are deemed earned and accrued daily and will be paid to Fairway on the last day of each calendar month. However, Fairway may have an arrangement with one or more third parties or limited partners who assist in seeding a Fairway Fund to share a portion of the management fees with that party. For example, for Funds VI, VII and VIIQP, 0.45% of the Management Fee is dedicated to a limited partner who assisted in seeding Fund VII, and is not allocated to Fairway as an advisory fee.

As set forth in Item 8 below, as part of each Funds' strategy, each Fund will borrow money from time to time from note holders (Note Holders and Notes are defined in each respective Funds' Offering Documents) who will be issued Notes of varying maturities between 1 and 5 years. Note Holders will be lenders to the Fund who will, along will all other Note Holders in that Fund, receive monthly interest payments to the extent the Fund has cash available to make interest payments, and have a blanket secured interest in the fund assets. The total assets of each Fund, on which Management Fees are charged, includes the capital contributed by Note Holders of the Fund.

<u>Additional Fairway Compensation:</u>

Fairway's affiliate Fairway America, LLC is entitled to receive as income some portion of asset level fees actually collected (e.g., loan origination fees), as well as processing, underwriting, and/or due diligence fees charged to sponsors when evaluating potential investments for each Fund. The amount of fees Fairway America is entitled to receive varies from Fund to Fund. If a Fund owns any mortgage loans, it may engage Fairway as loan servicing agent to perform servicing and collection activities on its behalf and pay a reasonable loan servicing fee on such assets, typically with a cap at or about 1% (annualized) of the unpaid principal balance of any loan being serviced. Fairway America, LLC's affiliated companies, Redwood Real Estate Administration, LLC ("Redwood"), and Fiducia Labs, LLC ("Fiducia"), have also been engaged to perform fund administration services and to provide certain software licenses to the Fairway Funds pursuant to standard client engagement agreements at these entities' customary market pricing offered to other third party 506 Regulation D SBRE funds.

The GP of each Fairway Fund is entitled to a percentage of excess distributable cash ("EDC") generated by each respective Fairway Fund according to the stated distribution waterfall ("Waterfall") set forth in the fund's Offering Documents. For example, a typical Waterfall calls for interest and principal payments on any credit facility, Fund expenses, Management Fees, and Note Holder interest and principal to be paid prior to any Preferred Return to Investors. Any available EDC, as determined by the general partner, is then split between the limited partners and the GP in the appropriate percentages. The percentage of EDC payable to the GP ranges from 20% to 40% of EDC.

Management fees are paid to the GP of each Fairway Fund at the end of each calendar month, and are negotiable only as set forth in a side letter executed by Fairway, and at Fairway's sole discretion.

Effective as of January 1, 2018, the Fairway Funds other than Fund V have engaged North Capital Private Securities Corporation ("NCPSC"), a FINRA registered Broker/Dealer, to raise investor capital for the Funds. Each of the Fairway Funds other than Fund V pays NCPSC a one-time capital raise fee equal to .2% of all capital raised by the Funds in exchange for these services, as capital is raised. In addition to this amount, Funds VII and VIIQP have agreed to pay NCPSC an additional capital raise fee of 1.25%, payable quarterly, in advance, based on each of those Funds' projections of how much capital will be raised during the upcoming quarter, and then the amount of the capital raise fee is trued up each quarter based on the amounts of capital actually raised. NCPSC uses registered representatives employed by Fairway America Capital Markets Group, LLC ("CMG"), an affiliate of Fairway America, LLC, to raise capital for the Fairway Funds, and pays CMG 100% of the 1.25% capital raise fee it receives from Fairway Funds VII and

VIIQP as a registered representative expense reimbursement. NCPSC does not pay CMG any portion of the separate .2% fee it collects from each of the Fairway Funds. The use of related registered representatives employed by CMG represents a conflict of interest because such representatives have a financial interest in raising capital for the Fairway Funds. We mitigate this conflict by, among other things, separating CMG's registered representatives from decisions about investments that the Fairway Funds make.

CMG also engages NCPSC to raise capital for single-property SBRE investment opportunities offered by third parties ("Syndications"). In connection with these Syndications, the Fairway Funds may invest at either the GP or the LP levels, and Fairway America, LLC may act as a member of the GP, the manager of the investment vehicle used to raise LP money for the Syndication, or both. As a member of the GP, Fairway America, LLC, may be entitled to receive what is commonly referred to as a "carried interest" or "promoted interest"—the right to receive a portion of the profits generated by capital contributed to the Syndication, including capital contributed by one or more of the Fairway Funds. In addition, NCPSC may pay CMG a portion of any capital raise fee that NCPSC receives as a result of raising capital for a Syndication, through payments to registered representatives employed by CMG, platform royalty agreements relating to NCPSC's use of an internet portal maintained by CMG, and otherwise.

<u>Partnership Expenses</u>

Each Fairway Fund is required to pay all Fund related expenses as set forth in the Fund's respective Offering Documents. Typically, Fund expenses include, without limitation, items such as: fund organizational costs, third party CPA costs for tax return preparation, financial statement preparation and/or audits, legal fees and costs, filing, licensing or other governmental fees, other third party audits, loan servicing fees, fund administration costs (including services provided by Redwood and Fiducia, affiliates of Fairway), capital acquisition fees and costs (including payment to NCPSC and other duly licensed third parties who are contracted by the GP to raise capital for a Fund), loan origination and/or other fees associated with any credit facilities, costs associated with ownership of real property, e.g., property improvement and rehabilitation costs not otherwise capitalized, sales commissions, property taxes, property management, hazard insurance, utilities, and any other expenses associated with operation of the Fund or management of its assets.

Item 6. Performance-Based Fees and Side-by-Side Management

How profits and losses are allocated and capital contributions may be returned in each Fairway Fund or Syndication is set forth in each respective Fairway Fund's Offering Documents and in the offering documents for each Syndication, including the Operating Agreements and similar charter documents for the entities involved in each Syndication.

Fairway does not employ a master-feeder structure.

The potential for Fairway America, LLC to earn a carried or promoted interest in a Syndication may motivate Fairway to make more speculative investments on behalf of a Fairway Fund than it would otherwise make. However, this risk is mitigated by the requirement that investors in each Syndication receive a preferred return and a return of invested capital prior to any carried interest or promote being paid, which creates an incentive for Fairway to balance risk and reward potential, as any losses will need to be regained before a promoted interest or similar fees is received.

Item 7. Types of Clients

Fairway provides discretionary investment advisory services to each Fairway Fund's general partner or manager to pooled investment vehicles operating as limited partnerships exempt from registration as an investment company pursuant to Section 3(c)(1), 3(c)(5) and/or 3(c)(7) of the Investment Company Act. Fund investors and Note Holders are accredited investors. The Fairway Funds are Fairway's only clients. Fairway has a $50,000 minimum investment amount, which may be amended or waived at our discretion.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies:

Fairway provides advice to the Fairway Funds regarding small balance real estate ("SBRE") investments both directly and through other SBRE managers. The goal of the Fairway Funds is to create a highly diversified portfolio of SBRE assets, with geographical and asset type diversification. Fairway has broad discretion with respect to investing in various types of real estate assets, including without limitation: individual whole loans secured by deed of trust, participation interests, equity investments, debt investments, and direct ownership.

Fairway sources investments through localized originators and managers ("Sponsors") throughout the U.S. Its focus is on finding Sponsors with a high level of experience and integrity within their specific market or asset model. For Fund VI, Fairway's typical investment is less than $2,000,000, with an average of $1,000,000, and for Funds VII and VIIQP, Fairway caps concentration to no more than 20% of the fund for any one investment (10% once a Fund reaches $150,000,000 of assets).

The Fairway Funds can invest in multiple categories of assets. For direct investments, Fairway typically sources and acquires assets through localized originators and managers ("Sponsors") around the United States. A key part of Fairway's strategy is to locate, vet, and approve high quality Sponsors with demonstrable character, integrity, track record, experience, and managerial capabilities in their particular geographic area and asset type niche. For fund to fund investments, Fairway makes investments into other SBRE portfolio funds, through both debt and equity positions, and in both GP and LP interests in such portfolios, with many different structures and asset strategies throughout the United States, as well as in individual real estate based assets.

Each Fairway Fund has a specific investment strategy that is described in the Fund's Offering Documents. Strategies include, but are not limited to, buy and hold, fix and flip, value-add repositioning, acquisition through auctions and foreclosures, tax lien certificates, distressed and/or performing note acquisition, and mortgage pool funds of varying strategies including bridge, construction, rehab, and permanent loans. Assets involved in the strategies of the to be invested into funds include, but are not be limited to, singlefamily residences (non-owner occupied), multifamily, retail, industrial, office, warehouse, self-storage, land, medical office, assisted living, student housing, and more, as well as loans or other liens (such as tax liens) secured by such property. The value of these assets is expected to vary widely but be considered "small balance" in nature, generally from $10,000 to $25,000,000. Sponsors, assets, and property are expected to be located mostly in metropolitan areas throughout the United States. For a number of reasons, Fairway will consider investing in funds based and operating outside the United States on an infrequent basis.

As part of each Fund's strategy, each Fairway Fund will borrow money from time to time from note holders (Note Holders and Notes are defined in each respective Funds' Offering Documents) who will be issued Notes of varying maturities between 1 and 5 years. Note Holders will be lenders to the Fund who will, along will all other Note Holders in that Fund, receive monthly interest payments to the extent the Fund has cash available to make interest payments, and have a blanket secured interest in the fund assets. This secured interest will be in a senior position except in circumstances where fund Assets have been or are being pledged by the Fund to any senior lender ("Credit Facility or "Facility"). Fairway may have multiple tiers of rates based on the amount of money lent from a Note Holder and the duration of the maturity. Fairway is not an investment advisor to Note Holders and does not provide individuals with investment advice regarding whether to execute a Note with a Fund as issuer.

Investment Analysis:

Fairway relies on its relationships with regionally-based real estate professionals knowledgeable in the markets in which it seeks to invest in order to identify potential opportunities. A key part of Fairway's strategy is to locate, vet, and approve high quality Sponsors with demonstrable character, integrity, track record, experience, and managerial capabilities in their particular geographic area and asset type niche. By finding, vetting, and approving high quality localized Sponsors, and diversifying the Funds' holdings over a widespread geographic territory and number of Sponsors, Fairway believes it can produce superior risk adjusted returns for the Fairway Funds' Investors.

Fairway attempts to be geographically diverse by investing in assets located throughout the United States in markets with solid economic characteristics (industry, employment, government, housing statistics, real estate demand, and other identifiable factors). It also seeks to diversify risk by investing in many assets of relatively small size, and have strong underwriting criteria which include, without limitation, credit and background checks on Sponsors, and review of investor references, financial statements, documentation of prior performance in their specific investment types, contracts, public records searches, and other types of due diligence used to determine character, integrity, competency, and suitability. Other considerations include: cash flow projections, expected investment maturity dates, exit strategies, and other factors.

For Fairway's fund to funds investment strategy, one of the critical success factors when investing in SBRE funds managed by others is having strong visibility into the asset level decision making, both when initially investing and on an ongoing basis. From there, it is necessary to monitor the assets, as well as the cash management and operational procedures and controls being utilized by the fund manager. Fairway, through its advisory and consulting practice, both helps to create SBRE funds on behalf of other managers around the U.S. and, through its affiliate, Redwood, performs ongoing fund administration for many of these same funds (as well as others for whom we did not advise on the creation). Administering funds gives Fairway tremendous operational visibility into the daily performance of those funds, including seeing every dollar that goes into and out of those funds. Fairway believes this relationship is likely to make each Fairway Fund a much better and more aware investor, should it choose to invest in any given fund which Redwood is administering than virtually any other investor in any of these portfolio funds, by providing greatly enhanced awareness of the funds' trends, direction, and performance.

Risk of Loss & Conflicts of Interest:

An Investor's decision to invest in a Fairway Fund entails risk. All investments have risk of loss, including the total loss of investment. There are no guarantees that any past success of any Fairway Fund or prior funds operated by Fairway America, LLC, will result in positive investor investment returns in the future. Private investment partnerships have their own set of risks, including, but not limited to lack of liquidity and diversification, strategy risk and conflicts of interest related to affiliated party transactions as described elsewhere in this disclosure and in each Fairway Fund's Offering Documents. Moreover, no Investors may sell, transfer, assign, convey, pledge, mortgage, encumber, hypothecate or otherwise dispose of all or any part of its interests in a Fairway Fund without the manager's consent. There is no public market for interests in the Fairway Funds.

A more complete discussion of the risk associated with an investment in a Fairway Fund is set forth in the respective Fund's private placement memorandum ("PPM"), and investors are encouraged to carefully review the PPM prior to making an investment decision. Below is a non-exhaustive discussion of the types of risk an investor may face with respect to private real estate funds.

Borrower Risk, General Market & Real Property Risk and Competition:

Investments related to real property carry specific risks, including but not limited to: foreclosure risk and local rules and regulations affecting the ability to foreclose on properties; vacancy rates and general financial condition of buyers and sellers; condemnation, environmental contamination and eminent domain; state and local regulations and/or ordinances affecting the purchase, sale or management of properties; litigation and insurance risk; geographic market concentrations, general credit risk, and other risks.

Fairway Funds' investments are speculative and profitability depends, in part, on the ability of borrowers to repay their loans. The ability of a borrower to repay may be affected by local, regional, and national real estate market and economic conditions beyond the control of the Fund. Delinquencies and defaults are sensitive to local and national business and economic conditions. Favorable real estate and economic conditions may not necessarily enhance a borrower's ability to repay due to circumstances specific to a borrower that are beyond the Fund's control. Performance of our Funds also depend upon, in large part, our and the portfolio fund manager's ability to effectively manage and operate assets given each fund's particular real estate asset based strategy.

Each type of property on which we, or our affiliates, underwrite loans has its own specific set of risks, including general economic conditions, business conditions, local market competition and conditions. Competition amongst loan originators can vary from market to market, and our Funds' returns can be affected by heavy competition in the loan origination space.

Rising or falling interest rates may increase risk associated with Fairway's investment strategy, including but not limited to: increased competition, Fairway's ability to close loans at targeted interest rates; a borrower's ability to refinance an existing loan, lower investment returns due to the inability to close loans at higher interest rates.

Lack of Diversification and Liquidity and Investment Concentration:

Fairway's investment strategies are solely focused in the real estate industry and real estate securities. Although Fairway seeks to diversify Fund investments and managers with respect to the types of real estate securities and geography, its Fund investments should be considered concentrated, which has its risks. For example, although Fairway has identified an investment strategy that it believes will protect, and potentially even enhance, Investor capital in a down real estate market, a significant downturn in the real estate market could have a material adverse effect on the Funds' or managers' overall financial condition that would disproportionately impact an investment in the Funds, as compared to the impact on investments that might occur if investments were diversified outside of the real estate industry. Moreover, the Fairway Funds may have a relatively high degree of concentration in the Fund's loan portfolio at any given time.

It would not be appropriate for an Investor to invest a substantial portion of his or her wealth in any single investment, fund or note. An investment in a Fairway Fund or Note should be part of a comprehensive investment portfolio strategy, which includes a broad diversification of investments. Fairway Note holders are concentrated in a single debt investment, which rely on the respective Fairway Fund and its Assets to pay interest payments.

Most of the Fairway Funds' fund to fund investments will be in securities that are illiquid because they are privately placed, restricted, thinly traded, or otherwise. A Fund may not be able to liquidate those investments if the need should arise, and its ability to realize gains or to avoid losses in periods of rapid market activity, may therefore be affected. In addition, the value assigned to such securities for purposes of determining Investors' Fund percentages and determining net profits and net losses may differ substantially from the value a Fund is ultimately able to realize.

Each of the Fairway Funds also limits its Investors' redemption rights. The initial lockup period ranges from 12 months to 24 months with limited redemption request rights thereafter as set forth in each Fund's Offering Documents. This means that Investors may not request to liquidate their investment in a Fairway Fund for one to two years, and Fairway has discretion whether to process redemption requests after the initial lockup period by limiting all or a percentage of any requested redemption over a 12-month period.

Use of Leverage:

Since the Fairway Funds (other than Fund V) are currently offering Investors the opportunity to purchase Units or Notes, priority will be given with respect to distributions of cash to the payment of interest on the Notes and, as applicable, principal as such Notes mature. If the Fund does not have sufficient cash available to make distributions with respect to the Units and pay its obligations with respect to the Notes, payments on the Note obligations will be given priority and may result in a decrease of the amount available for distribution to Investors.

In addition to the Notes, each Fairway Fund and/or any special purpose vehicle of a 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 in a position senior to the Fund's Note Holders. Borrowing may have an exaggerated impact on Fund performance either positive or negative. To the extent a Fund uses a Credit Facility, the priority of distributions to Investors will be even further subordinated and risk of nonpayment increased.

Investment in Distressed and Higher Risk Assets

Fairway or a portfolio fund manager may make investments in nonperforming or other troubled assets that involve a greater degree of financial risk than that associated with performing or stabilized assets. Accordingly, while such assets may present an opportunity for a better return on investment than an investment in a performing or stabilized asset, they generally also present a greater risk that the Fund's internal rate of return objectives will not be realized on such an investment or that there will be a loss of invested capital.

Fairway or a portfolio fund manager may invest a material amount of fund assets in loans to borrowers that have higher risk profiles than more traditional real estate lenders. Moreover, equity interests in underlying fund of fund managers ("Target Funds" or "Portfolio Funds") are not underwritten to traditional guidelines and therefore may not be as secure as more traditional bank type loans. By deploying assets in higher risk transactions, the Investors may lose principal. Equity interests by nature are also subordinate to all debt, whether secured or unsecured, and equity interest holders are the last to receive distributions or proceeds of asset liquidations. Moreover, management agreements, compensation, and other methods for distributing assets from companies in which the Fund might have an equity interest can increase the likelihood that the Fund may not recover anything from an equity investment. Such transactions may also affect Fairway's ability to pay interest and/or principal to Note Holders.

Risks Associated with Investments in Portfolio Funds

The Fairway Funds will have little or no control over the activities of the Portfolio Funds into which they invest. Managers may make poor underwriting decisions, take undesirable tax positions, employ excessive leverage, impose redemption or other fees, or otherwise manage their respective funds in a manner Fairway cannot anticipate, or even act in a manner Fairway actively opposes, and they may be subject to investment and other restrictions that could adversely affect the Fairway Funds' performance. The operations of these

Portfolio Funds will be heavily dependent upon their respective managers and if the manager dies, resigns, becomes legally incompetent or insolvent, or experiences a significant change in staffing, the operations of the associated fund may be adversely affected. While investing in other funds can provide diversified investment techniques, no assurance can be given that such diversification will occur, or that if it does, it will increase and not reduce the potential net profits to the Fund. All of the Fairway Funds and the Portfolio Funds have expenses, management fees, and will either charge an incentive fee or share in the excess distributable cash in a Waterfall distribution structure, all of which will affect the net return of the Fund. The expenses of the Fund (including the Fund's pro rata share of expenses of any other funds into which the Fund invests) may be a higher percentage of net assets than those incurred by other investment funds or accounts.

Insufficient Opportunities

There are a number of institutions and private real estate equity funds, both regionally and nationally, that are actively seeking real estate and equity investment opportunities. Fairway believes that there will be a sufficient number of high quality investment opportunities for the types of SBRE assets and Portfolio Funds in which the Fairway Funds seek to invest. However, increased competition among providers of equity capital could result in fewer available opportunities and lower investment returns. Appropriate investments meeting the Funds' objectives for the types of investments and the Portfolio Funds in which they invest may not be readily available or available at all. The Funds, or the Portfolio Funds, may expend funds in the investigation of opportunities that, after investigation, are determined to be unsuitable for investment. Accordingly, there can be no assurance that the Funds will be able to identify and complete attractive investments in the future or that it will be able to invest any particular amount of capital.

Valuation Risk

Although Fairway uses valuation methodologies that it deems reasonable based on various valuation practices commonly used in similar businesses in the industry, there is no guarantee that any stated value as determined by Fairway or the GP or manager of one or more Fund Assets, including a Fund's equity investment in a Portfolio Fund, is an accurate representation of the true current value of any Fund asset and, as such, the unit price of Fund interests may not fairly represent the then current true value of the units.

Conflicts of Interest:

As disclosed more fully in each Fund's Offering Documents, certain conflicts of interest exist between and amongst Fairway, its affiliates and other third parties. Conflicts of interest can cause Fairway to engage in riskier investments; act in Fairway's, its affiliates or third parties' own best interest; or increase the costs associated with an Investor's investment in one of the Fairway Funds. Such conflicts of interest include: engaging in affiliated party transactions such as the sharing of origination fees with an affiliate loan underwriter; co-investment by a limited partner or affiliate of Fairway; the generation of fees and reimbursement of expenses by Fairway or its affiliates that are not deemed investment income by the Fairway Funds or reimbursable to the Fairway Funds; indemnification of the General Partner, Fairway or its affiliates; activities of principals of Fairway that may overlap with the business of Fairway and its Funds;

taking carried interests in Syndications based on LP investments made by one or more Fairway Funds; the offering of side letters to one or more limited partners causing such limited partners to pay lower fees or provide other favorable terms to certain limited partners; and the Fairway Funds' preferred return or EDC distribution provisions may impact investment decisions of Fairway. There is also an inherent conflict of interest because Fairway will also invest in Portfolio Funds for which Fairway, either directly or through an affiliate, provides administrative or other consulting services for a fee. As such, Fairway may have an incentive to invest in a Portfolio Fund that pays higher fees to Fairway, irrespective of the Portfolio Fund's return on Fund investments.

Fairway has discretion and authority to classify certain fees and expenses owed by borrowers of loans in which the Fairway Funds invest. For example, Fairway may negotiate with a borrower to pay higher or lower origination or exit fees, default and/or back interest or late fees, which may have a direct impact on revenue allocated to the Fairway Funds, since each Fairway Fund may participate in some revenue streams and not others, and in different percentages for each Fund. Other conflicts of interest may exist. Please review the conflicts of interest section of the respective Fairway Fund's Offering Documents for more information and discussion regarding how Fairway mitigates such risks.

There is an inherent conflict of interest between a manager's involvement in determining the value of a fund's investments and the manager's responsibilities, as certain Portfolio Fund managers' fees will increase as the value of Fund assets increases.

The total assets of each Fund, on which Management Fees are charged, includes the capital contributed by Note Holders of the Fund. This represents a conflict of interest because the general partner of the Fund has discretion to issue Notes to Note Holders on which Management Fees are charged, which will increase risk of loss and expenses to the Fund.

In addition, from time to time, Fairway and the GPs will authorize related party loans between the Fairway Funds. The terms of such loans are intended to be at current market rates and terms, but are not negotiated at arms' length.

Related parties of Fairway, including the GP, may hold interests in the Fairway Funds. Such related parties typically pay the same fees as other limited partners.

The GP of each respective Fairway Fund, in its sole discretion, may provide one or more persons, with the opportunity to co-invest with the Fairway Fund in any one or more Syndication or other lending or other investment opportunities offered to the Fairway Fund and establish, maintain and manage separate co-investment vehicles and/or accounts in connection therewith, with the allocation of such opportunities between the Fairway Fund and such co-investor (and/or co-investment vehicles and accounts) to be determined by the GP in good faith. Any such co-investment by an Investor or any affiliate of an Investor in any such opportunity will be upon terms and conditions no more favorable to such Investor or affiliate in any material economic respect than the terms and conditions upon which the Fund is investing in such opportunity. Any such co-investors may pay Fairway fees to service the co-invested loan investments.

Item 9. Disciplinary Information

Fairway is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Fairway does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Darris Cassidy is a registered representative of North Capital Private Securities Corporation and part of Fairway's management team. This creates a conflict of interest because Mr. Cassidy may receive compensation for capital raised by NCPSC and invested by one of the Fairway Funds, creating an incentive for Mr. Cassidy to raise money for riskier investments. This risk is mitigated, among other things, by tying Mr. Cassidy's compensation structure more to Fairway's success than to the amount of capital raised through NCPSC and by limiting Mr. Cassidy's ability to make investment decisions for the Fairway Funds.

Fairway America, LLC is the sole owner of Fairway America Investment Advisor, LLC, as well as a part owner of the manager and general partner and of Fairway Funds V, VI, VII and VIIQP.

Fairway America, LLC is owned, in part, by Outside General Counsel Services, P.C., a law firm owned by Jay Zollinger who is also general counsel of Fairway and Fairway America, LLC.

Redwood Real Estate Administration, an affiliate of Fairway America, LLC, provides accounting administration, private fund formation consulting to the Fairway Funds and third-party investment fund and managers, including the Portfolio Funds.

Fairway America Capital Markets Group, LLC, fka Sequoia Park Capital LLC, and SBRECrowd, LLC ("FACMG"), is an affiliate of Fairway and substantially owned by Fairway America, LLC. FACMG raises capital for the Fairway Funds and for others, including through a bulletin board platform website (www.sbrefunds.com) which is used by the Fairway Funds and other affiliated and unaffiliated private funds to raise capital pursuant to SEC Rule 506(c). FACMG is affiliated with North Capital Private Securities Corporation, a duly licensed broker/dealer.

Fiducia Labs LLC, an affiliate of Fairway and substantially owned by Fairway America, LLC, develops and operates technology solutions that facilitate investing in private real estate funds, including the Fairway Funds.

Item 11. Code of Ethics

Fairway and its affiliates have adopted a Code of Conduct and Codes of Ethics (collectively, the "Codes") that are designed to reinforce its institutional integrity, and to set forth procedures and limitations which govern the personal securities transactions of its associates. The Codes were developed to promote the highest standards of behavior and ensure compliance with applicable regulations. The Codes comprise written standards that are reasonably designed to deter wrongdoing and describe Fairway's policies and procedures concerning:

- Placing restrictions on employees with respect to trading for their own accounts to preclude front-running and insider trading of real estate related securities, and co-investment opportunities;
- Placing restrictions on employees that preclude participation in initial public offerings, and limited offerings without prior approval;
- Maintaining confidential client and internal corporate information;
- Reporting requirements and restrictions that limit the value of gifts that employees give or receive;
- Complying with anti-money laundering requirements, to the extent currently required by law;
- Managing potential conflicts of interest; and
- Requiring employees to obtain pre-approval for any outside business affiliations.

Investor and prospective investors may contact Fairway to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

Fairway specializes in managing portfolios of real estate investments in the SBRE space and the Fairway Funds are designed and formed to provide investors with a SBRE investment vehicles. Fairway's investment advice is limited to advising on such types of investments. As such, Fairway does not have traditional brokerage relationships with broker/dealers who execute trades of publicly available securities.

Fairway does not maintain any soft dollar relationships with broker-dealers to obtain research or other services. Fairway hires a number of unaffiliated investment managers to manage its multi-manager products. These managers may obtain research and brokerage services from brokers chosen by them to make trades on behalf of Fairway Funds and client accounts, provided in doing so the managers comply with terms within their agreements.

See Item 10 above for a discussion of conflicts of interest regarding employees of Fairway who are registered representatives of a third-party broker-dealer which receives asset-raising fees.

Item 13. Review of Accounts

Fairway has policies and procedures in place to: continuously monitor all Fairway Fund investments for adherence to each respective Fairway Fund's investment objectives, policy and restrictions; ensure all Note Holder, Members and Limited Partners have completed appropriate subscription agreements, and accounts are managed in accordance with their respective agreements.

Reports are provided on a quarterly basis to all Investors, and consist of performance results, portfolio composition, characteristics and comparison to industry benchmarks.

Item 14. Client Referrals and Other Compensation

Fairway does not accept client referrals since the only clients of Fairway are the Fairway Funds. Fairway may, however, execute finders' agreements and compensate individuals to introduce prospective investors to Fairway. Fairway will compensate such finders. All finders' agreements will be entered into in accordance with SEC guidance set forth in SEC No-Action Letter, Mayer Brown LLP, File No. 132-3. Nonetheless, Fairway will enter into a written agreement with all finders. All finders' agreements will clearly set forth that finders are not authorized to solicit or offer any security for sale, including interests in any Fairway Fund, to prospective investors, and that such an offer or sale can only take place through Fairway's provision of the appropriate offering documents and brochure to such prospective investors.

Item 15. Custody

Fairway is deemed to have custody of client Fund assets and securities. Each open Fairway Fund will engage an independent national CPA firm to audit the Fund once it hits certain AUM thresholds and complete audited financial statements. Copies of the audited financial statement reports are available upon request by each Fairway Fund Investor. Fairway will also engage an independent CPA firm to conduct a custody examination, and Fairway shall cause such accountant conducting the custody examination to file the appropriate certificate with the Director promptly, pursuant to OR Rule 441-205-0180 (e).

The Funds' limited partnership or member interests are privately offered uncertificated securities. The Funds hold and invest in only privately offered securities. As such, Fairway is not required to hold limited partnership or member interests or securities with a qualified custodian or generate an internal control report.

Item 16. Investment Discretion

Fairway America Management Group II, LLC ("GP") is under common control with Fairway. Fairway can therefore be viewed as having the authority to manage each Fairway Fund's investment on a discretionary basis. This authority is subject to each Fund's investment objectives and guidelines, limitation and restrictions set forth in each Fund's respective offering documents.

For Fairway's fund of funds strategy, Fairway maintains investment discretion to invest in third party investment Portfolio Funds. Fairway does not maintain discretion regarding underlying portfolio investments of such Portfolio Funds.

Item 17. Voting Client Securities

The Fairway Funds do not invest in publicly traded securities, but may invest in privately held equity investments which may offer both voting and non-voting interests. Such investments rarely hold shareholder, partner or member meetings and the Portfolio Fund managers are often required by the offering documents of the Portfolio Fund to assign the fund's proxies in favor of the manager. In limited cases where a Portfolio Fund manager holds a meeting of shareholders, partners or members, and the Funds have a right to vote at such meetings, we vote in accordance with the best interests of the Funds' Investors.

Item 18. Financial Information

Fairway is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Fairway has no disclosures pursuant to this Item.