**OFFERING CIRCULAR**
**OREGON RESIDENTS ONLY**

# THE OREGON FUND, L.P.

Up to $50,000,000 Limited Partnership Interest Units ("***Units***") at $25,000 per Unit[1]
Minimum Investment: $25,000 (One Unit)[2]

The Oregon Fund, L.P. a Delaware limited partnership (the "***Fund***"), the general partner of which PacWest Funding, Inc., an Oregon corporation ("***PacWes***t" or the "***General Partner*** ") has been organized to acquire loans secured by deeds of trust encumbering real property primarily located in Oregon, including, residential, commercial, multi-family, mixed use and unimproved properties. (See "Fund Business and Lending - Lending Standards and Policies.") Although the Fund was newly organized, the General Partner is an Oregon licensed loan origination company involved in loan origination, loan servicing and in the sale of fractionalized notes and real estate investment generally for over 20 years. PacWest has been sponsoring an Oregon intrastate offering of joint venture interests in loans similar to those by which the Fund will acquire for a few years (the "***Joint Venture Offering***").

Investors purchasing Units will become limited partners in the Fund ("***Limited Partners***") governed by the terms and conditions of the Limited Partnership Agreement dated March 27, 2019, a copy of which is attached hereto as Exhibit A (the "***Limited Partnership Agreement***"). An investment in the Fund is not liquid and is subject to substantial restrictions on transfer and withdrawal. (See "Terms of the Offering - Restrictions on Transfer" and "Summary of the Limited Partnership Agreement - Withdrawal Limitations.") Investors should not purchase Units unless they are able to hold the Units for an indefinite amount of time.

Investors have the option to receive monthly distributions of their share of income from Fund operations "***Income Option***"), or to allow their proportionate share of Fund income to compound and be reinvested by the Fund for their accounts ("***Growth Option***") by participating in the Fund's Distribution Reinvestment Fund, which is attached as Exhibit C. (See "Terms of the Offering - Election to Receive Monthly Cash Distributions"). All Fund income will be taxed to the Limited Partners (other than tax-exempt entities) as ordinary income, regardless of whether it is distributed in cash or reinvested. (See "***Federal Income Tax Considerations***").

These securities are offered to bona fide residents of the state of Oregon who purchase solely for their own account for purposes of investment and not with a view toward resale or distribution.

This Offering has been registered with the Director of the Department of Consumer and Business Services of the State of Oregon pursuant to ORS 59.065 under the provision of OAR (Oregon Administrative Rules) 441-65-0020. Registration does not constitute an endorsement or recommendation by the Director. It is not a representation that the Director has passed upon or reviewed the accuracy or values claimed. Any representation to the contrary is a criminal offense.

**THE USE OF FORECASTS IN THIS OFFERING IS PROHIBITED. ANY REPRESENTATIONS TO THE CONTRARY AND ANY PREDICTIONS, WRITTEN OR ORAL, AS TO THE AMOUNT OR CERTAINTY OF ANY PRESENT OR FUTURE CASH BENEFIT OR TAX CONSEQUENCE WHICH MAY FLOW FROM AN INVESTMENT IN THIS PROGRAM IS NOT PERMITTED.**

These securities have not been registered under the federal Securities Act of 1933, as amended, in reliance upon the intrastate offering exemption provided by Section 3(a) (11) of the Securities Act of 1933, as amended, and SEC Rule 147A. Nothing contained herein shall constitute a waiver of the Fund's right to claim any other available exemption under federal law.

THE FUND INVOLVES SIGNIFICANT RISKS, DESCRIBED IN DETAIL IN THIS OFFERING CIRCULAR ("Circular"). See "Risk Factors", beginning on page 13 for certain factors investors should consider before investing. Significant risks include the following: (i) the Fund is a "blind pool" because the General Partner has not yet identified specific loans to be made or acquired by the Fund with the proceeds from the sale of new Units or with principal repayments received by the Fund and reinvested in loan investments selected by the General Partner; (ii) loans invested in by the Fund will not be insured by any government agency, instrumentality or entity; investment in Units is subject to substantial withdrawal restriction, and investors will have a limited ability to liquidate their investment in the Fund; (iv) the transfer of Units is restricted and no public market for Units exists or is likely to develop; (v) the General Partner is entitled to various forms of compensation and is subject to certain conflicts of interest; and (vi) Limited Partners will have no right to participate in the management of the Fund and will have only limited voting rights.

| | Price to Investors | Selling Commissions[3] | Net Proceeds to the Fund[4] |
|---|---|---|---|
| Per Unit | $ 25,000.00 | 0 | $ 25,000.00 |
| Total Maximum | $50,000,000.00 | 0 | $50,000,000.00 |

(Footnotes on page ii)

General Partner:
PacWest Funding, Inc.
Attn: Kevin Simrin
4710 Village Plaza Loop, Suite 150
Eugene, Oregon 97401
(541) 485-2223

The date of this Circular is March 28, 2019

THESE UNITS ARE BEING OFFERED SOLELY TO BONA FIDE RESIDENTS OF THE STATE OF OREGON TO WHOM A COPY OF THIS CIRCULAR HAS BEEN DELIVERED BY THE GENERAL PARTNER. THIS CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY WITH RESPECT TO ANY OTHER PERSON.

THE UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, ANY APPLICABLE STATE SECURITIES LAWS AND THE LAWS OF ANY OTHER RELEVANT JURISDICTION. IN ADDITION, SUCH INTERESTS MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED, IN WHOLE OR IN PART, EXCEPT AS PROVIDED IN THE LIMITED PARTNERSHIP AGREEMENT REFERRED TO HEREIN. ACCORDINGLY, INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE UNITS FOR AN INDEFINITE PERIOD. THERE WILL BE NO PUBLIC MARKET FOR THE UNITS, AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE INTERESTS UNDER THE SECURITIES ACT, ANY STATE SECURITIES LAWS OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. INVESTMENT IN UNITS INVOLVES CERTAIN SIGNIFICANT INVESTMENT RISKS, INCLUDING RISKS OF LOSS OF CAPITAL OR AN INVESTOR'S ENTIRE INVESTMENT IN UNITS.

THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940 (THE "INVESTMENT COMPANY ACT"). CONSEQUENTLY, INVESTORS WILL NOT BE AFFORDED THE PROTECTIONS OF THE INVESTMENT COMPANY ACT. THE GENERAL PARTNER OF THE FUND IS NOT REGISTERED AS AN INVESTMENT ADVISOR WITH THE SEC OR REGISTERED OR CERTIFIED AS AN INVESTMENT ADVISOR UNDER THE LAWS OF ANY STATE OR OTHER JURISDICTION AND POTENTIAL INVESTORS SHOULD CONSULT WITH THEIR OWN INDEPENDENT SECURITIES PROFESSIONALS TO DETERMINE THE SUITABILITY OF UNITS AND THE LOAN INVESTMENTS MADE BY THE FUND FOR THEIR OWN PERSONAL FINANCIAL SITUATION AND INVESTMENT OBJECTIVES.

THE INFORMATION CONTAINED IN THIS CIRCULAR SUPERSEDES ANY ADVERTISEMENTS OR SOLICITATION MATERIALS REGARDING THE FUND OR THIS OFFERING. THIS CIRCULAR IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE LIMITED PARTNERSHIP AGREEMENT OF THE FUND AND THE SUBSCRIPTION AGREEMENT RELATED THERETO. NO PERSON HAS BEEN AUTHORIZED REGARDING THIS OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS CIRCULAR AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND OR THE GENERAL PARTNER. STATEMENTS IN THIS CIRCULAR ARE MADE AS OF THE DATE HEREOF UNLESS STATED OTHERWISE HEREIN, AND NEITHER THE DELIVERY OF THIS CIRCULAR AT ANY TIME, NOR ANY SALE HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME AFTER SUCH DATE.

COMPENSATION WILL BE PAID TO THE GENERAL PARTNER, WHICH HAS NOT BEEN DETERMINED BY ARM'S-LENGTH NEGOTIATION. THE GENERAL PARTNER IS ALSO SUBJECT TO CERTAIN CONFLICTS OF INTEREST. (SEE "RISK FACTORS," "COMPENSATION TO THE GENERAL PARTNER" AND "CONFLICTS OF INTEREST.")

PROSPECTIVE PURCHASERS SHOULD NOT REGARD THE CONTENTS OF THIS CIRCULAR OR ANY OTHER COMMUNICATION FROM THE FUND AS A SUBSTITUTE FOR CAREFUL AND INDEPENDENT TAX AND FINANCIAL PLANNING. EACH POTENTIAL INVESTOR IS ENCOURAGED TO CONSULT WITH HIS OR HER OWN INDEPENDENT LEGAL COUNSEL, ACCOUNT ANT AND OTHER PROFESSIONAL WITH RESPECT TO THE LEGAL AND TAX ASPECTS OF THIS INVESTMENT AND WITH SPECIFIC REFERENCE TO HIS OR HER OWN TAX SITUATION, PRIOR TO SUBSCRIBING TO UNITS.

[1] The $50,000,000 maximum amount of this offering may be increased by the General Partner at any time.

[2] The minimum purchase is $25,000 (One Unit).

[3] Units will be offered and sold by the General Partner or by its duly authorized agents and employees who will not receive compensation in connection with the sale of the Units. The General Partner, in its sole discretion, may arrange for Units to also be sold through registered securities broker-dealers. Any such agents, employees or broker-dealers will be paid selling commissions to be negotiated on a case-by-case basis. These selling commissions will be paid by the General Partner, and shall not be an expense of the Fund, but no such sales have occurred to date. (See "Plan of Distribution.") There is no firm commitment from any third party to purchase or sell any of the Units.

[4] "Net Proceeds to the Fund" are calculated before deducting ongoing offering expenses, including without limitation legal and accounting expenses, reproduction costs, selling expenses and filing fees.

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**EXHIBITS:**

## SUMMARY OF THE OFFERING

The following information is only a brief summary of the offering, and is qualified in its entirety by, the detailed information appearing elsewhere in this Circular. Potential investors should review this entire Circular before deciding to invest in the Units.

| | |
|---|---|
| Fund Objectives: | The Oregon Fund, L.P. is a Delaware limited partnership formed for investing in loans secured by deeds of trust on real property. The Units offered hereby represent limited partnership interests in the Fund.<br><br>The Fund's objectives are to (1) provide the opportunity for the Limited Partners to earn income from interest paid by borrowers on loans owned by the Fund; (2) protect and preserve Fund capital; and (3) provide cash distributions to electing Limited Partners. There is no guaranty that each of these objectives will be met. (See "Risk Factors.") |
| The General Partner: | PacWest Funding, Inc., 4710 Village Plaza Loop, Suite 150, Eugene, Oregon 97401. |
| Suitability Standards: | Interests will be sold exclusively to bona fide residents of the state of Oregon with an initial minimum investment of $25,000 or one Unit. Qualified investors admitted to the Fund will become Limited Partners. (See "Investor Suitability Standards.") on page 4. |
| Capitalization: | Maximum of $50,000,000 (subject to increase by the General Partner). |
| Mortgage Loan Portfolio: | Fund loans will be made to borrowers and secured by either (i) real estate consisting of residential properties, apartment buildings, office buildings, commercial and industrial properties, unimproved land, as well as construction loans. Loans will be made while this offering is continuing. (See "Fund Business and Lending - Lending Standards and Policies.") |
| Compensation to the General Partner and Affiliates: | The General Partner will receive fees and other compensation. (See "Compensation to the General Partner.") |
| General Partner's Experience: | The General Partner has substantial experience in the mortgage lending business. It is a licensed mortgage origination company and will originate, process, underwrite, service and fund most, if not all, of the loans the Fund will acquire. The compensation that PacWest generates from loan origination will be paid for by the borrower, not the Fund. See ("The General Partner and Affiliates.") |
| Cash Distributions: | Investors may choose either (1) monthly cash distributions of Fund income, or (2) income credited to capital accounts pursuant to the Fund's Distribution Reinvestment Plan attached as attached as Exhibit C. This election, once made upon subscription for Units, may be revoked at any time. However, the General Partner, at his sole and absolute discretion, reserves the right to commence making cash distributions at any time to previously compounding ERISA investors for the Fund to remain exempt from the ERISA plan asset regulations. (See "ERISA Considerations" and "Summary of Limited Partnership Agreement.") |

| | |
|---|---|
| Withdrawal: | Investors have no right to demand withdrawal of all or a portion of their investment for twelve (12) months following the date of the purchase of Units. Thereafter, withdrawals from the Fund will be subject to cash flow limitations and other withdrawal restrictions. The Fund may utilize money from new subscriptions to fund withdrawals. (See "Summary of Limited Partnership Agreement - Withdrawal Limitations" and "Risk Factors - Risks Related to Ownership of the Units.") |
| Restrictions on Transfers: | There are substantial restrictions on transferability of Units under federal and state securities laws and under the Limited Partnership Agreement. (See "Terms of Offering - Restrictions on Transfer" and "Risk Factors - Risks Related to Ownership of the Units.") |
| Liquidity: | The purchase of Units is an illiquid investment. There is no public market for Units and none is expected to develop and an investor's withdrawal of invested capital is limited by Fund cash flow and other restrictions. (See "Risk Factors - Risks Related to Ownership of the Units" and "Summary of the Limited Partnership Agreement - Withdrawal Limitations.") |
| Reports to Limited Partners: | Annual reports, and monthly statements of account. |
| Risks: | An investment in Units is subject to certain risks which should be carefully evaluated before an investment in Units is made. (See "Risk Factors.") |
| Conflicts of Interest: | The Fund's business operations will be managed entirely by the General Partner, which is subject to certain conflicts of interest. (See "Conflicts of Interest.") |
| Voting: | Limited Partners will have no right to vote on matters concerning the Fund except as expressly granted in the Limited Partnership Agreement or required by law. All voting rights granted to Limited Partners in the Limited Partnership Agreement require the affirmative vote of Limited Partners representing a majority of the total outstanding Units. (See "Risk Factors - Risks Related to Ownership of the Units.") |

## FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements within the meaning of federal securities law. Words such as "may," "will," "expect," "anticipate," "believe," "estimate," "continue," "predict," or other similar words, identify forward-looking statements. Forward-looking statements include statements regarding the General Partner's intent, belief or current expectation about, among other things, trends affecting the markets in which the Fund will operate, its business, financial condition and strategies. Although the Fund believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, forward looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those predicted in the forward-looking statements because of various factors, including those set forth in the "Risk Factors" section of this Circular. If any of the events described in "Risk Factors" occur, they could have an adverse effect on the Fund's business, financial condition and results of operations. When considering forward looking statements, prospective investors should keep these Risk Factors in mind as well as the other cautionary statements in this Circular. Prospective investors should not place undue reliance on any forward-looking statement. The Fund is not obligated to update forward looking statements.

## INVESTOR SUITABILITY STANDARDS

Interests are being offered and sold in reliance upon the exemption from federal registration provided for under section 28 of the Securities Act of 1933 (the "Act") and Rule 147A issued by the Securities and Exchange Commission, thereunder. As such, Units will be sold only to bona fide Oregon residents and may be resold only to Oregon residents for six months after they are acquired. An investment in the Units is suitable only for persons who are seeking income, not capital appreciation and do not require a liquid investment. Redemptions are restricted by time periods and amount, and a secondary market for the Units is unlikely to develop.

Investors will also be required to provide additional documentation upon which the General Partner can verify such Investor's status as an Oregon resident and additional documentation it is deemed necessary by the General Partner to comply with the Act or any other state or federal securities laws applicable to this offering. Existing Limited Partners desiring to purchase additional Units must meet the suitability standards outlined herein at the time each additional purchase of Units is made.

It is the responsibility of the General Partner and its licensed salespersons to make every reasonable effort to determine that the purchase of an interest in the Fund is suitable and appropriate for each Limited Partner based on information provided by the Limited Partner regarding the Limited Partner's financial situation and investment objectives and any other relevant information known to the General Partner.

### Additional Standards

Units may be acquired for investment purposes only, and not with a view to, or for resale in connection with, any further distribution thereof and purchaser must represent that they, either alone or with a joint owner have either net income of the previous tax year of at least $50,000 or net worth, either alone or combined with a joint owner of at least $70,000.

## TERMS OF THE OFFERING

This offering of Units is made to a limited number of qualified investors that meet the investor suitability standards set forth above. The Unit subscription price to each Limited Partner is $25,000 per Unit with a minimum subscription from each investor of $25,000, or one Unit. Each Unit of investment represents a limited partnership interest in the Fund.

### Subscription Agreements; Admission to Fund

Units may be purchased for a purchase price of $25,000 per Unit by completing the Subscription Agreement and Power of Attorney attached hereto as Exhibit B (the "Subscription Agreement") and delivering the executed Subscription Agreement to the General Partner. Subscriptions are payable in collected funds.

### Subscription Agreement Representations and Warranties

The Subscription Agreement requires each potential investor to make certain representations and warranties upon which the General Partner will rely in accepting an investor's subscription. These include a warranty from each potential investor that:

- The investor has received this Circular and the Limited Partnership Agreement of The Oregon Fund, L.P;
- The investor is a resident of the state of Oregon;
- The investor is aware that there will be no public market for the Units and none is expected to develop;

- The investor, alone or with a spouse, has annual income of no less than $50,000 or net worth of no less than $70,000 and such investment in the Units does not constitute more than 20% of such investor's net worth;

- The investor has the power, capacity and authority to make the investment; and

The purpose of these warranties is to ensure that the investor fully understands the terms of the offering, the risks of an investment and that the investor is qualified and has the capacity to enter into the Subscription Agreement and invest in Units. In any claim or action against the Fund or the General Partner, the Fund or the General Partner may use the warranties in the Subscription Agreement as a defense or as a basis for seeking indemnity if the representations are false.

Subscriptions

Investors may purchase Units by completing and executing the Subscription Agreement and delivering the Subscription Agreement to the General Partner together with the purchase price payable for Units (" Subscriptions"). The minimum Subscription amount is $25,000 (i.e., one Unit); provided, however, that the General Partner may, in its sole discretion, accept Subscriptions in lesser amounts and may issue fractional Unit(s). Subscriptions will be accepted or rejected by the General Partner promptly after receipt. The General Partner reserves the right to reject any Subscription submitted for any reason. If accepted, an investor submitting a Subscription (a " Subscriber") will become a Limited Partner and the Subscriber's entire investment will be deposited into the Fund. (See "Use of Proceeds.") Until then, a Subscriber's subscription is irrevocable, and Subscription funds received by the General Partner may be held by it for the account of each Subscriber in a subscription account pending transfer into the Fund (the "Subscription Account"). Generally, investor's funds will be transferred from the subscription account into the Fund's operating account on a first-in, first-out basis; however, the General Partner reserves the right to admit non-ERISA plan investors before ERISA plan investors for the Fund to remain exempt from the application of the plan asset regulations issued by the Department of Labor in 1986. (See "ERISA Considerations.") The General Partner has the right to admit only a portion of an investor's subscription funds at any given time; however, in no case, except as otherwise provided herein, will the General Partner admit less than the required minimum investment by a Subscriber (i.e., $25,000). Only upon transfer of an investor's subscription funds from the subscription account into the Fund's operating account will an investor become a Limited Partner in the Fund. Upon admittance, an investor's subscription funds plus interest earned on such subscription funds while being held in the subscription account, will be released to the Fund and Units will be issued.

Subscriptions are non-cancelable and irrevocable, and subscription funds are non-refundable for any reason, except with the consent of the General Partner.

Election to Receive Monthly Cash Distributions

Upon subscription for Units, an investor must elect whether to receive monthly cash distributions from the Fund or to allow his or her earnings to compound for the term of the Fund through the Distribution Reinvestment Plan. This election, once made, may be revoked by providing reasonable notice to the General Partner. The General Partner reserves the right, at any time, to immediately commence making monthly cash distributions to ERISA plan investors who previously compounded earnings to ensure that the Fund remains exempt from the Plan Asset Regulations pursuant to the "significant participation" exemptions. (See "ERISA Considerations.")

Income allocable to investors who elect to compound their earnings will be retained by the Fund for investing in mortgage loans or other proper Fund purposes. Income from additional loans made by the Fund will be allocated among all Limited Partners; however, investors who compound may be credited an increasing proportionate share of Fund earnings compared to investors who receive monthly distributions because the capital accounts of those investors who compound may gradually increase. (See "Summary of Limited Partnership Agreement - Capital Account Maintenance.")

Use of Subscriptions to Pay Pending Withdrawal Requests

Subscription amounts transferred into the Fund may be utilized by the General Partner for any proper Fund purpose, including funding mortgage loan investments, creating appropriate reserves or paying Fund expenses. Additionally, the General Partner may accept subscriptions to fulfill Limited Partners' withdrawal requests if at the time of receipt of a subscription there is a "waiting list" for withdrawals from the Fund. (See "Summary of Limited Partnership Agreement - Withdrawal Limitations" and "Risk Factors - Risks Related to Ownership of the Units.") Investors should ask the General Partner about the aggregate amount of the then-current waiting list for withdrawals and the anticipated waiting period (if any) if that information would be a factor in determining whether to invest in Units.

Restrictions on Transfer

The sale of Units in this offering has not been registered with the Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended (the "Securities Act"), and is being made in reliance upon the exemptions from such registration requirements provided for under Rule 147A promulgated by the SEC for intrastate offerings. The Units cannot be resold to non-Oregon residents without registration under the Securities Act or pursuant to an exemption therefrom.

There is no public or trading market for the Interests, and the General Partner does not anticipate that one will develop in the future. The General Partner does not anticipate registering the Units with the SEC to facilitate resales. Therefore, Investors must be prepared to hold the Interests indefinitely, without the expectation of liquidity in this investment. (See "Risk Factors - Risks Related to Ownership of the Units.")

The Limited Partnership Agreement places the additional restriction that the General Partner must give its prior written consent, which may be withheld in the General Partner's sole discretion, to any sale, transfer or encumbrance of all or any part of an Interest in the Fund. Also, Investors have limited rights to withdraw from the Fund. (See "Summary of Limited Partnership Agreement.") Therefore, Investors needing access to their invested capital in the near term should not invest.

## FUND BUSINESS AND LENDING

The Fund will engage in the business of acquiring Loans secured by deeds of trust that encumbering real estate located in Oregon or other states and. in some circumstances, loans represented by promissory notes that are, secured by deeds of trust. The Fund may also purchase loans from third parties when, in the General Partner's discretion, it is beneficial for the Fund to do so. All Fund loans will be selected by the General Partner pursuant to the guidelines set forth in the "Lending Standards and Policies" subsection below.

General

The General Partner will be responsible for selecting and arranging the loans acquired by the Fund. The loans acquired by the Fund will be primarily originated and funded by the General Partner. In addition to originating loans, the General Partner will also service the loans the Fund purchases and will receive compensation for servicing the loans by retaining a portion of the interest that the borrower pays. The interest rate percentage retained for serving a loan is equal to 0.75% annual interest on loans that require no construction or rehabilitation draws for work in progress. If the loan is a construction or rehabilitation loan that requires progress draws, the fee is 1.25% of the annual interest. Example: If the borrowers note is for 12% interest, when PacWest receives the borrower’s interest only payment, PacWest will retain 0.75%, distributing the remaining 11.25% annual interest to the Fund (See "Compensation to the General Partner" and "Conflicts of Interest.”).Each of the promissory notes and deeds of trust evidencing Fund loans will list the Fund as the initial lender or will be assigned to the Fund upon purchase of the loan. The Fund will earn income from the interest on such loans, and from the Fund's portion of late fees, prepayment penalties and other fees which may be charged to borrowers. (See "Compensation to the General Partner.")

The Fund may in some circumstances rely primarily on the value of the real property securing loans to protect its investment with less emphasis on the creditworthiness of the borrower. To determine the value of the real property, the Fund will obtain an evaluation to determine the fair market value of real property used to secure loans acquired by the Fund, but no assurance can be given that such an analysis will in any or all cases, be and remain accurate. (See "Risk Factors - Risks Related to the Fund's Business.")

In some circumstances, the Fund may purchase undivided fractional interests in loans ("Fractional Interests") arranged by the General Partner on behalf of the Fund and other lenders rather than funding an entire loan; however, the Fund will only acquire Fractional Interests in loans that meet the standards set forth in the "Lending Standards and Policies" section, below. (See "Risk Factors - Risks Related to the Fund's Business" and "Conflicts of Interest.")

Lending Standards and Policies

General Standards for Mortgage Loans

The Fund, either alone or by participating with other lenders (including the General Partner or an affiliate of the General Partner), expects to engage in the business of acquiring or investing in loans secured by deeds of trust on real property located within or outside Oregon, including residential properties, commercial and industrial properties, mixed use properties and unimproved land. The Fund may make or invest in construction or rehabilitation loans that are underwritten based upon the completed value of the construction or rehabilitation. The Fund's loans will not be insured or guaranteed by any governmental agency or private entity. The Fund will select and underwrite loans for investment pursuant to the guidelines set forth below, which guidelines are designed to set standards for the quality of the real property security given for the loans.

(1) Priority of Mortgages. Loans will be secured by a first or junior deed of trust or mortgage (collectively referred to herein as a "deed of trust") on real property located in Oregon and throughout the United States. If a loan is secured by a first deed of trust, the deed of trust will be senior to all other recorded monetary liens other than liens for taxes or the assessments of special assessment districts to fund streets, utilities or other public improvements. If a loan is secured by a junior deed of trust, the obligations secured by the senior lien(s) must not be in default at the time of the loan closing; however, loan proceeds may be used to cure defaults under the senior lien(s). Loans may also be secured by one or more additional deeds of trust encumbering other real property owned by the borrower or an affiliate of the borrower when, in the General Partner’s reasonable judgment, such cross collateralization is necessary to meet the loan-to-value ratio requirements set forth herein.

(2) Property Types. Fund loans will be loans secured by commercial, residential and industrial properties and may include, without limitation, apartment buildings, office buildings, warehouses and industrial complexes and small shopping centers. In addition, the Fund will make construction loans, and may make loans secured by residential properties. The Fund may occasionally make loans secured by unimproved land, but only if the loan is secured by a first deed of trust on the property.

(3) Geographic Area of Lending Activity. Fund loans are expected to be made and secured by properties primarily in Oregon. All such loans must satisfy the underwriting criteria described herein. (See "Risk Factors - Risks Related to the Fund’s Business" and "Certain Legal Aspects of the Fund Loans - Foreclosure.")

(4) Loan to Value Ratios. Loan to value ratios are the percentage of the valuation of the property that is encumbered by a first trust deed or junior lienholder.

Chart 1.1 below shows that maximum anticipated loan to value ratio ("LTV") for loans when there are no other liens on the property except the Fund's loan at the time the loan was acquired.

| Chart 1.1 | | |
|---|---|---|
| Property Type | LTV for First and Only Trust Deed | Maximum LTV Ratio with All Liens |
| Residential loans | 70% | 70% |
| Commercial property | 70% | 70% |
| New construction or rehabilitation | 70% | 70% |
| In ground infrastructure on bare land | 60% | 60% |
| Unimproved bare land | 50% | 50% |

Chart 1.2 below shows the Maximum Combined Loan to Value ("CLTV") when the property has other liens junior to the Fund's loan. The Fund would retain a first position lien, but another party may hold a lien position inferior to that of the Fund.

| Chart 1.2 | | |
|---|---|---|
| Property Type | CLTV for First Trust Deed with Junior Lien Behind First | Maximum LTV Ratio with All Liens |
| Residential loans | 70% | 90% |
| Commercial property | 70% | 90% |
| New construction or rehabilitation | 70% | 90% |
| In ground infrastructure on bare land | 60% | 80% |
| Unimproved bare land | 50% | 90% |

The loan-to-value ratios for Fund loans may exceed the foregoing percentages if, in the General Partner's reasonable judgment, a higher loan amount is warranted by the circumstances of the loan, such as personal guaranties, prior loan history of borrower, improved market conditions, etc. The General Partner may also acquire loans secured by junior liens, on behalf of the Fund.

The foregoing loan-to-value ratios will not apply if the Fund re-sells any real estate acquired by the Fund through foreclosure or to refinance an existing loan that is in default at the time of maturity. In such cases, the General Partner, in its sole discretion, shall be free to accept any reasonable financing terms that it deems to be in the best interests of the Fund.

In determining the value of a property, the Fund will use only third-party electronic valuation platforms, real estate broker's estimate of value or appraisers.

Although the Fund may conduct cursory physical inspections of the property providing security, due to the costs involved in most cases, it will not obtain inspection reports from licensed civil engineers nor will it obtain environmental site assessments or otherwise conduct thorough environmental investigations to determine the existence of any toxic or hazardous substances. (See "Risk Factors – Risks Related to the Fund's Business.")

(5) Terms of Loans. Most loans will be for a period of one to 5 years, but in no event more than 15 years. Most loans will provide for monthly payments of interest only, with a "balloon" payment of principal payable in full at the end of the term.

(6) Loan Documents. All loan documents (notes, deeds of trust, etc.) and insurance policies regarding loans made by the Fund will name the Fund as payee and beneficiary. However, in those cases where the General Partner, an Affiliate or a third party makes a loan which is then purchased by the Fund, the loan documents and insurance policies will name the initial payee of the loan (i.e., the General Partner, an Affiliate

or a third party). Upon the Fund's purchase of all or a portion of such loan, the note and deed of trust, or such portion thereof, will be assigned to the Fund. All deeds of trust or assignments of the deed of trust will be duly recorded in the county where the property securing the loan is located and, in the case of a purchased loan, the note will be duly endorsed in favor or the Fund and trust deed assigned to the Fund.

(7) Escrow Conditions. Acquired loans will be funded utilizing a licensed title insurance or escrow company. The escrow agent will be instructed not to disburse any of the Fund's funds out of the escrow for purposes of funding the loan until the following conditions are met:

(a) Satisfactory title insurance coverage has been obtained for all loans, with the title insurance policy naming the Fund as the insured and providing title insurance in an amount equal to the principal amount of the loan. Title insurance insures only the validity and priority of the Fund's deed of trust, and does not insure the Fund against loss because of factors such as diminution in the value of the security property, over-appraisals, borrower' s defaults, etc.

(b) Satisfactory fire and casualty insurance has been obtained for all loans (except loans secured by unimproved land), which insurance shall name the Fund as loss payee in an amount at least equal to the replacement value of the improvements on the secured property. (See "Risks Factors- Risks Related to the Fund's Business) The General Partner does not intend to arrange for mortgage insurance which would afford some protection against loss if the Fund foreclosed on a loan and there was insufficient equity in the security property to repay all sums owed. Additionally, the General Partner will not require the borrower to carry separate liability insurance.

(c) All loan documents (notes, deeds of trust, etc.) and insurance policies will name the Fund as loss payee and beneficiary or additional loss insured, as applicable. In the event the Fund purchases loans, the Fund shall receive assignments of all beneficial interest in any documents related to each loan so purchased. Fund investments in loans will not be held in the name of the General Partner or any other nominee.

(8) No Loans to the General Partner. No loans will be made to the General Partner or to its Affiliates or principal(s)

(9) Loan Diversification. No Fund loan (or Fund interest in a loan) will exceed 20% of total fund assets at the time of acquisition.

Credit Evaluations

The General Partner intends to strongly consider the income level and general creditworthiness of a borrower to determine the borrower's ability to repay the Fund loan according to its terms; however, on occasion such considerations may be subordinate to a determination that the borrower has sufficient equity in the secured property to satisfy the loan-to-value ratios described above. Loans may be made to borrowers who are in default under other obligations (e.g., to consolidate debts) or who do not have sources of income that would be sufficient to qualify for loans from other lenders such as banks or savings and loan associations.

Sale of Loans

The Fund expects to acquire mortgage loans and hold them for its own account. The Fund will not engage in real estate operations (other than those which may be required if, among other things, the Fund forecloses upon a property securing a mortgage loan and needs to manage the property until liquidation). The Fund does not presently intend to acquire mortgage loans primarily for the purpose of reselling such loans in the ordinary course of business. However, the Fund may occasionally sell mortgage loans (or fractional interests therein) when the General Partner determines that it is advantageous to the Fund to do so, based upon then current interest rates, the Fund's cash flow requirements, and the investment objectives of the Fund.

## FUND MANAGEMENT AND LOAN SERVICING

General

The General Partner will have the sole authority to manage the affairs of the Fund, including the sole authority to: (i) identify and arrange loans and Fractional Interests to be made or purchased by the Fund; (ii) monitor and assess loan portfolio performance and set the Fund's accounting procedures; (iii) oversee loan servicing and make loan enforcement decisions; and (iv) otherwise direct the day-to-day operations of the Fund. Limited Partners will have limited rights to vote on or direct the actions of the Fund and must rely upon the General Partner to make decisions in the best interest of the Fund. (See "Risk Factors - Risks Related to the General Partner" and "Conflicts of Interest.")

Loan Origination and Servicing

The General Partner is an Oregon licensed loan origination company and has been originating loans in Oregon and elsewhere since 1997. (See, "The General Partner and Affiliates", "Compensation to the General Partner" and "Conflicts of Interest.")

PacWest will "service" Fund loans, which includes the collection of loan payments, performing administrative services regarding the loan and, if necessary, taking all actions the General Partner deems necessary to enforce the terms of the loan documents upon a default.

If the Fund makes or purchases a Fractional Interest in a loan, the General Partner expects that it will service the loan on behalf of the Fund and the other Fractional Interest holders. To the extent the Fund invests in less than 50% of the total Fractional Interests outstanding in a loan, the Fund will be subject to additional risks not inherent in whole loans or loans in which the Fund holds a majority interest. (See "Risk Factors - Risks Relating to the Fund's Business.") Moreover, by acting as the servicing agent of both the Fund and the other co-lenders, the General Partner is subject to additional conflicts of interest whether or not the Fund holds a majority or minority interest in the loan. (See "Conflicts of Interest").

Fund Accounting

The General Partner shall, in consultation with the Fund's accountants, be responsible for determining the accounting policies and procedures of the Fund. In connection therewith, the General Partner will assess the Fund's portfolio at intervals determined by the General Partner to be reasonable considering current market conditions to account for or recognize any impairment to the loans comprising the Fund's portfolio or to otherwise comply with generally accepted accounting principles ("GAAP").

The General Partner expects to establish a loss reserve to recognize over time the estimated losses on Fund loans and on the sale of properties securing Fund loans acquired through Foreclosure ("Loan Loss Reserve"). These potential losses are charged against monthly Fund income in an amount deemed necessary by the General Partner to accumulate an adequate Loan Loss Reserve considering existing loan losses and estimated loan losses identified periodically by the General Partner over the life of the Fund.

Loans are evaluated for various risk factors including, but not limited to, payment history, current economic conditions, collateral type, initial loan- to - value ratios, current estimated loan-to-value ratios and any other factor that might affect the full recoverability of a Fund loan balance. Delinquent loans are evaluated based upon the duration of the delinquency and the potential that the Fund will not collect all amounts due from a borrower under the loan through payment or through recovery of the full loan balance from the value of the secured property.

The Fund expects that its accounting policy will be to stop accruing interest (for purposes of calculating earnings) on any loan that is delinquent for a period of sixty days ("Non-Accrual Status"). Further payments received on Fund loans that have been placed on Non-Accrual Status will be accounted for by the Fund on a cash rather than accrual basis until loan payments are again brought current. If events or circumstances relating to a loan (on Non-Accrual Status or otherwise) cause the General Partner, in its reasonable judgment, to have serious doubts about the

full recovery of the entire loan balance due from a borrower, the General Partner may categorize such loan as "impaired" (an "Impaired Loan"). In such event, the General Partner will attempt to assess the potential loss that may be realized by the Fund resulting from the Impaired Loan and whether the Loan Loss Reserve should be increased to reflect that assessment.

If real estate is acquired by the Fund (an "REO Property") through foreclosure or by deed in lieu of foreclosure the REO Property will be initially established at its fair market value less a specific reserve for estimated costs required for sale of the property unless the General Partner does not intend to dispose of the property by sale (e.g., the property will be held and rented to third parties until a higher re-sale price may be obtained). To the extent the REO Property's fair market value less costs of sale is less than the prior booked value of the loan secured by the REO Property, the amount of such difference is charged against earnings and created to a loss reserve established for REO Properties. If the General Partner determines that circumstances may make it more beneficial for the Fund to hold the REO Property until a better sales price may be obtained, the REO Property value will be recorded and carried at the lower of the REO Property's initial cost basis or its current fair market value less estimated costs of sale.

THE FUND'S ACCOUNTING POLICIES INCLUDING THOSE RELATED TO IMPAIRED LOANS, NON-ACCRUAL STATUS AND THE FUND'S LOAN LOSS RESERVE ARE MADE IN CONSULTATION WITH THE FUND'S ACCOUNTANTS IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PROCEDURES. THE GENERAL PARTNER MAY, IN CONSULTATION WITH THE FUND'S ACCOUNTANTS, REVISE ANY ACCOUNTING POLICY AT ANY TIME WITHOUT THE APPROVAL OF, OR NOTICE TO, ANY OF THE LIMITED PARTNERS.

## USE OF PROCEEDS

The proceeds from this offering will be used to acquire loans secured by real property as described elsewhere in this Circular. The balance of the proceeds will be used for offering expenses, reserves for redemption and for working capital.

| Estimated Use of Proceeds[1] | Amount | Percentage |
|---|---|---|
| Acquisition of loans | $48,500,000 | 97% |
| Reserves for redemption / Working Capital | $ 1,500,000 | 3% |
| Total Estimated Use of Proceeds | $50,000,000 | 100% |

[1] Does not include offering expenses consisting primarily of attorney fees (estimated to be between approximately $40,000 and $50,000) See "COMPENSATION TO THE GENERAL PARTNER").

## COMPENSATION TO THE GENERAL PARTNER

The following summarizes the forms of compensation received by the General Partner. All of the amounts described below are payable regardless of the success or profitability of the Fund. None of the following compensation was determined by arm's length negotiations.

| Form of Compensation to the General Partner | Estimated Amount or Method of Compensation |
|---|---|
| Reimbursement of Expenses: | The General Partner has not received reimbursement for the organization costs of the Fund. The General Partner, however, will be entitled to reimbursement for ongoing out- of-pocket operating expenses of the Fund, including legal, accounting and other professional and third-party fees. |
| Management Fee: | The General Partner will receive its compensation for managing the Fund by retaining 1.5% of the annual interest rate on loans acquired by the Fund. For example, if the Fund acquires a loan bearing interest at 12 |

| | |
|---|---|
| | % per annum, the General Partner will receive payments equal to 1.5% per annum, reducing the Fund's interest received to 10.5% per annum |
| Servicing Fee: | PacWest will receive compensation for servicing the Fund's loans by retaining a portion of the interest that the borrower pays. The interest rate percentage retained by PacWest for serving a loan is equal to 0.75% interest on loans that require no construction or rehabilitation draws for work in progress. If the loan is a construction or rehabilitation loan that requires progress draws, the fee is 1.25% of the interest rate. PacWest may also receive compensation from borrowers in the form of late fees, assumption and loan modification fees. |
| Loan Extension/Renewal Fees: | 1%-2% of the outstanding loan amount. |
| Late Charges: | Up to one-half of all late charges paid in connection with each loan serviced which pays late fees. |
| Other Potential Compensation: | The General Partner may negotiate additional fees payable by borrowers on a case by case basis including exit fees, shared income or equity appreciation payments on shared income and shared appreciation loans, if any. In such circumstances the General Partner will be entitled to retain all or a portion of such fees. |

Compensation which may be received by the General Partner is illustrated in the following table:

| Consideration to General Partner | Amount of Consideration[1,2] | Purpose of Consideration | Timing of Payment |
|---|---|---|---|
| Management Fee | 1.5% of interest on borrower loans owned by the Fund | Fund management | Monthly |
| Servicing Fee | 1.25% of interest paid by borrower on construction loans; 0.75% of other loans | Servicing and administrating loans owned by the Fund | Monthly |
| Late Charges | Late fees paid by borrowers | Additional collection costs involved in handling accounts in arrears | Upon payment of late charges |
| Loan Extension/Renewal Fees | 1-2% of loan amount | Servicing costs associated with revising loan documents and negotiations with borrower | At time of loan modification |

[1]The management fee is calculated as follows: assume the Fund acquires a loan bearing interest at 12 % per annum, the General Partner will receive a management fee equal to 1.5% per annum, reducing the Fund's interest received to 10.5% per annum.

[2]The servicing fee is calculated as follows: if the Fund acquires a loan bearing interest at 12 % per annum, the General Partner will receive a servicing fee equal to 1.25% per annum, reducing the Fund's interest received to 10.75% per annum on construction loans and 11.25% on other loans.

## THE GENERAL PARTNER AND AFFILIATES

The General Partner is PacWest, an Oregon corporation, which will manage and direct the affairs of the Fund. Loans will be arranged and serviced and the Fund assets will be managed by the General Partner.

Kevin Simrin has been in the real estate and mortgage business since 1989. Kevin, age 54, is the President founder and sole director, and sole shareholder of PacWest, a licensed loan origination company in the state of Oregon. In addition to PacWest, Mr. Simrin is also the sole shareholder and President of RE/MAX Integrity, an Oregon real estate brokerage firm with six offices in western Oregon. Mr. Simrin, who attended Lane Community College, is a member of the National Association of Realtors. He is a Past President of the Eugene Association of Realtors Mr. Simrin will oversee all activity of the General Partner. He has been selecting loans similar to those the Fund expects to acquire for the Joint Venture Offering (defined below) for ten years and an affiliated company has sponsored a private fund also acquiring loans secured by real property since 2018.

### Affiliated Businesses

The General Partner will originate, process, underwrite and fund most, if not all, of the loans the Fund acquires. The compensation that PacWest generates from Loan origination is paid for by the borrower, not the Fund. In addition to originating loans, PacWest will also be servicing the loans the Fund owns. PacWest will receive its compensation for servicing the loans by retaining a portion of the interest that the borrower pays and other fees as described above. (See the "***Compensation to the General Partner***").

The General Partner has sponsored an annual offering of joint venture interests which have been registered with the Oregon Department of Financial Regulation since May 7, 2009 (the "***Joint Venture Offering***").

The Joint Venture Offering annually offers up to $75,000,000 in an aggregate purchase price of percentage interests in various newly-formed Oregon joint ventures (the "***Joint Venture(s)")*** of which the PacWest is the sponsor. Specific Joint Ventures have been formed to purchase and own deeds of trust (or mortgages or land sales contracts) securing promissory notes made by owners of real property primarily in Oregon (the "***Loan Properties***"). The Loan Properties are selected by the General Partner, which also serves as manager of each Joint Venture and receives compensation of approximately 2% to 3% of the annual interest rate percentage yield. PacWest is also responsible for servicing each Joint Venture's loan as described in a participation agreement by and among the PacWest and the joint -venturers, whereby the holders of interests in each Joint Venture loan (including the Fund) pay any accrued but unpaid servicing fees pursuant to the assessment provisions provided in the loan servicing agreement entered into regarding the loan.

### Other Activities of the General Partner and Affiliates

The General Partner and its officers, employees and agents are not required to manage the Fund as their sole and exclusive function and will devote so much of their time to the business and affairs of the Fund as may, in their discretion, be necessary to conduct the affairs of the Fund for the benefit of the Fund and the Limited Partners. The General Partner and its managers, employees and agents may engage, and are engaged in other business activities, including any business within the securities and/or the insurance industry, regardless of whether such business is in competition with the Fund. For example, an affiliate of the General Partner sponsors a limited partnership with similar investment and business objectives as that of the Fund and the General Partner sponsors the Joint Venture Offering. Neither the Fund nor any of the Limited Partners shall have any rights in such independent ventures, and the General Partner and its managers, employees and agents are under no obligation, legal or otherwise, to offer the Fund or any Partner the opportunity of operating, managing or investing in any other enterprise or services.

IT SHOULD NOT BE ASSUMED THAT INVESTORS IN THE OFFERING COVERED BY THIS CIRCULAR WILL EXPERIENCE RETURNS, IF ANY, COMPARABLE TO THOSE EXPERIENCED BY

INVESTORS IN ANY PRIOR OFFERINGS OF THE GENERAL PARTNER, THE PRINCIPALS OR THEIR AFFILIATES.

Indemnification

The Fund, its receiver, or its trustee will defend, indemnify, hold harmless, and pay all judgments and claims against the General Partner and any manager, partner, employee, affiliate or agent of the General Partner, and/or the legal representatives or controlling persons of any of them and any employee or agent of the Fund, relating to any liability or damage incurred by reason of any act performed or omitted to be performed by the General Partner in connection with the business of the Fund, including reasonable attorneys' fees incurred by the General Partner in connection with the defense of any action based on any such act or omission (which attorneys' fees will be paid as incurred), including all such liabilities under federal and state securities laws (including the Securities Act of 1934, as amended) as permitted by law; provided, however, that the person whose act or omission caused the liability, loss or damage must have determined, in good faith, that such course of conduct was: (i) in the best interests of the Fund, and (ii) did not constitute fraud, gross negligence or willful misconduct. Any indemnification under the Limited Partnership Agreement shall be recoverable only from the assets of the Fund and not from the assets of the Partners. All judgments against the Fund and a person indemnified hereunder, wherein such person is entitled to indemnification, must first be satisfied from Fund assets before such person will be responsible for any such obligations.

**INSOFAR AS INDEMNIFICATION FOR LIABILITIES ARISING UNDER THE SECURITIES ACT OF 1933 MAY BE PERMITTED TO DIRECTORS, OFFICERS OR PERSONS CONTROLLING AN ISSUER PURSUANT TO THE FOREGOING PROVISIONS, THE GENERAL PARTNER HAS BEEN INFORMED THAT IN THE OPINION OF THE SECURITIES AND EXCHANGE COMMISSION SUCH INDEMNIFICATION IS AGAINST PUBLIC POLICY AS EXPRESSED IN THE ACT AND IS THEREFORE UNENFORCEABLE.**

In the event of any action by any Partners against the General Partner, including a partnership derivative suit, the Fund will indemnify, hold harmless, and pay all expenses of the General Partner, including reasonable attorneys' fees, incurred in the defense of such action if the General Partner is successful in such action.

Responsibilities of the General Partner

The General Partner is accountable to the Limited Partners to the limited extent as set forth in this Circular and the Limited Partnership Agreement. The General Partner will conduct the affairs of the Fund in the best interests of the Fund and of the Partners.

The General Partner will provide the Limited Partners with summary financial information on a monthly basis and more complete financial statements regarding matters affecting the Fund and each Limited Partner's Interests on an annual basis in accordance with the Limited Partnership Agreement. Each Limited Partner, at such Limited Partner's expense, shall have the right to inspect the Fund's business records during normal business hours as may be reasonably requested by such Limited Partner; provided, however, that the Fund shall not be obligated to provide access to any information that it reasonably and in good faith considers to be confidential information.

The General Partner shall take all actions necessary or appropriate for (i) the continuation of the Fund's valid existence as a limited partnership under the laws of the State of Delaware (and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Partners or to enable the Fund to conduct the business in which it is engaged), and (ii) the accomplishment of the Fund's purposes, including acquiring and servicing Policies and any undivided interest therein in accordance with the provisions of this Agreement and applicable laws and regulations.

Termination/Withdrawal of General Partner

The General Partner may only be removed for cause and only upon an affirmative vote of the Limited Partners holding seventy-five percent (75%) of the aggregate Interests at a meeting called expressly for such removal. The General Partner may be removed for cause for any one of the following reasons: (i) illegal activity; (ii) fraud, dishonesty, act of moral turpitude or any other act or misconduct; or (iii) gross negligence. If the General Partner is removed for cause, it shall not receive any further fees as of the date of such removal but shall not affect its rights as a Partner and it shall continue to participate in any rights to distributions under the Limited Partnership Agreement. In such case, a new general partner may be appointed by Limited Partners holding seventy five percent (75%) of the aggregate Interests, at a meeting called expressly for that purpose.

The General Partner may withdraw upon sixty (60) days prior written notice to the Partners. Upon such withdrawal, within ten (10) days after delivery of notice of withdrawal, a majority of the aggregate Interests must consent to elect a new general partner and to elect to continue the business of the Fund. Provided, however, the General Partner may resign and appoint a successor general partner without the requirement of such consent upon thirty days' notice to the Limited Partners. Substitution of a new general partner will be effective upon written acceptance of the duties and responsibilities under the Limited Partnership Agreement by the new general partner. The failure of the Partners to elect to continue the business of the Fund if the General Partner withdraws or to elect a new general partner within the time specified above, or failure of the new general partner so elected to execute written acceptance of the duties and responsibilities of a general partner within three (3) business days after such election, shall cause the termination and liquidation of the Fund.

Prospective investors should read the Limited Partnership Agreement attached hereto as Exhibit B. The Limited Partnership Agreement sets forth the specific provisions relating to the management of the Fund.

## RISK FACTORS

Any investment in the Units involves a significant degree of risk and is suitable only for investors who have no need for liquidity in their investments or who can bear the loss of their entire investment. When analyzing this offering, prospective investors should carefully consider the following risks and other factors, in addition to those discussed under the captions "Compensation to the General Partner," "Conflicts of Interest," and "Federal Income Tax Considerations." If any of these risks actually occur, the business, financial condition and operating results of the Fund could be materially adversely affected.

Risks Related to the Fund's Business

**The Fund will be in the lending business and subject to risks related to private money and high-yield mortgage loans.**

The Fund may acquire loans to borrowers who are less creditworthy than those who can satisfy institutional lenders' credit requirements or who cannot satisfy institutional lenders' income documentation requirements. (See "Fund Business and Lending - Lending Standards and Policies.")

The Fund loans may also be made on an asset rather than credit basis. Such loans involve numerous risks, some of which include: (i) an increased risk of the non-availability of credit for a borrower to refinance a Fund loan at maturity; (ii) an increased risk of foreclosures in the area surrounding the secured property negatively affecting the value of the property securing a Fund loan; (iii) increased constraints on consumer credit affecting the ability of borrowers to sell residential property; and (iv) an increased risk of an abandonment of property by a borrower due to other financial problems or general market decline. The occurrence of any of these events for a borrower could lead to a default upon a Fund loan, potentially causing losses and extra costs to the Fund, which may lead to lower returns or losses for investors.

**The Fund could suffer defaults on the loans in its portfolio and may have to foreclose on the underlying real estate collateral.**

The Fund is in the business of lending money and, as such, takes the risk of defaults by borrowers. Most Fund loans will provide for relatively small monthly payments of principal and interest with a large "balloon" payment of principal due at the end of the term. Most borrowers are unable to repay the principal amount of such loans out of their own funds and therefore must sell the real property security or refinance at maturity. A downturn in the real estate market, fluctuations in interest rates and the unavailability of mortgage funds could adversely affect the ability of borrowers to pay off or refinance their loans at maturity. If the real property security consists of undeveloped land, it may be more difficult for the borrower to sell or refinance its loan than if the real property security were improved real estate because undeveloped land is generally viewed as riskier and more speculative form of investment or real property security than improved real estate.

**The Fund's loans typically do not satisfy the "Qualified Mortgage Rule" criteria and could expose the Fund to incur penalties or fees.**

The 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") created new restrictions on how creditors make loans, and led to the creation of new ability-to-repay requirements ("ATR Requirements") and the Qualified Mortgage Rule (the "QM Rule"). The ATR Requirements require lenders to make a reasonable, good faith determination that a borrower has a reasonable ability to repay a mortgage before making a loan. To meet the ATR Requirements, lenders must comply with strict underwriting standards. Lenders that do not satisfy the underwriting standards set forth in the ATR Requirements could be liable for the borrower's finance charges, fees, and the borrower's legal fees, among other penalties. However, lenders meeting the requirements of the QM Rule avoid the necessity of proving compliance with the ATR Requirements, and are presumed to have complied. A qualified mortgage that is not a "higher-priced" mortgage is conclusively presumed to comply with the ATR Requirements, while a "higher-priced" loan is favored with a rebuttable presumption of compliance. Because the Fund invests in Loans that generally do not satisfy the QM Rule, a borrower can contest the Fund's ATR Requirement determination as a defense to a foreclosure action and can cause the Fund to incur significant penalties and fees.

**The real estate market may experience stagnation and declines in property values.**

During the real estate market declines following the financial crisis, the most dramatic and well-publicized declines in property values (and the largest loan losses) occurred in the single-family residential sector; however, other property categories, including commercial and non-owner occupied residential, also experienced significant declines in value and a dramatic slow-down in sales. While many markets have stabilized, the recovery has been uneven and it is impossible to forecast how real estate and the economy will perform in the short or long term. If the market value of property securing Fund loans declines significantly or declines below the amount of a Fund loan on such property, borrowers may have difficulty paying or refinancing the loan or selling the property, causing losses to the Fund and investors. Moreover, any lack of real estate sales volume in the market may affect the General Partner's ability to accurately value the Fund's assets to make withdrawal distributions, potentially resulting in excessive or deficient distributions to withdrawing Limited Partners.

Risks Related to Borrower's Financial Status

The Fund will evaluate the creditworthiness of a borrower based on a review of financial information provided by the borrower, and by making other inquiries (e.g., running a credit check). However, this financial information and these inquiries will be given and made as of a specific point in time. The financial condition and/or credit status of the borrower could change thereafter.

If a loan is secured by hypothecated notes, the creditworthiness of the borrowers under the hypothecated notes may affect the value of the hypothecated notes as security. The Fund may not be able to obtain any credit information about the borrowers under hypothecated notes, or, the amount of credit information that the Fund is able to obtain may be less than it would obtain while evaluating the creditworthiness of the primary borrower. The Fund will look principally to the payment history under a hypothecated note in deciding if it will accept the hypothecated note as security.

The Fund may not be able to obtain credit information about a borrower under a note that the Fund is contemplating purchasing. As with hypothecated notes, the Fund will look principally to the payment history under the note in deciding if it will purchase the note.

**If the Fund cannot collect all the principal and interest due on its loans, the Fund's ability to earn a profit or to fund withdrawals will be impaired.**

The Fund's liquidity is dependent on, among other things, payments by borrowers of principal and interest on Fund loans. The General Partner will continually monitor the delinquency status of the Fund's loan portfolio and promptly institute collection activities on delinquent accounts but these efforts may ultimately prove unsuccessful. Loan repayments are also likely to be affected by economic conditions in the real estate market. Any failure by the Fund, for any reason, to collect nearly the entire principal and interest on Fund loans will substantially impair the Fund's ability to operate successfully.

**Fund loans may be subject to the additional risks related to “due-on- further encumbrance” clauses.**

Most first deeds of trust contain "due-on- further encumbrance" clauses permitting the holder to declare a default and accelerate a loan if the borrower executes an additional deed of trust on the secured property in favor of a junior lienholder. In such cases, a second mortgage loan by the Fund would entitle the senior lienholder to commence foreclosure, which would jeopardize the Fund's investment. Such clauses are generally enforceable (except where the secured property consists of 1-4-unit residential property). If the Fund makes a second mortgage loan, the General Partner generally will not seek the prior written consent of the senior lienholder. This could place the Fund's investment at risk if the senior lienholder declares an event of default.

**If the Fund cannot collect the entire principal and interest due on its loans, the Fund's ability to earn a profit or to fund withdrawals may be impaired.**

The Fund's liquidity is dependent on, among other things, payments of interest and loan principal payments received on Fund loans. The General Partner will continually monitor the delinquency status of the Fund loan portfolio and promptly institute collection activities on delinquent loan accounts but these efforts may ultimately prove unsuccessful. Loan principal payments are also likely to be affected by economic conditions in the real estate market. Any failure by the Fund, for any reason, to collect virtually all of the principal and interest on the Fund's loans may impair the Fund's ability to operate successfully and to make withdrawal distributions to requesting Limited Partners unless the net proceeds earned on the sale of the properties securing the loans are adequate to cover such amounts and can be realized on a timely basis.

**The Fund will be operating in a highly competitive business.**

Due to the nature of the Fund's business, its profitability will depend to a large degree upon the future availability of secured loans. The Fund will compete with other private money lenders, institutional lenders and others engaged in the mortgage lending business, including banks and savings institutions, many of which have greater financial resources and experience than the Fund. If these companies increase their marketing efforts to include the Fund's market of borrowers, or if additional competitors enter these markets, the Fund may be forced to reduce its interest rates and fees to maintain or expand market share. Any reduction in interest rates or fees charged could have an adverse impact on the Fund's liquidity and profitability.

**A decline in the demand for, or increase in the risks of, real estate financing will impair the Fund's ability to make loans or could jeopardize repayment.**

A variety of factors affect the demand for real estate financing, including, without limitation, economic cycles, demand for and availability of new development and construction, competitive pressures, the availability and cost of labor and materials, changes in costs associated with real estate ownership, changes in consumer preferences, demographic trends and the availability of mortgage financing. The Fund will be directly and materially affected by the same risks faced by borrowers as well as those inherent to the commercial and residential real estate development

and construction industries. Recently, the U.S. experienced significant deterioration in certain sectors of the real estate, credit and mortgage markets. Any similar deterioration in the future may negatively impact the Fund's ability to make suitable real estate loans. Any reduction in the cash flows, income of or financial condition of commercial and residential real estate borrowers because of any of the aforementioned factors or others may significantly impair their ability to repay the Fund, which would increase the possibility that delinquencies would occur, that the Fund would incur losses and that Limited Partners would lose some or all their investment in the Units.

**A decline in real estate values will impair the collateral for Fund loans.**

Declining real estate values or an increase in interest rates will increase the probability of a loss in the event of a borrower default on Fund loans. In the event of another significant deterioration of the real estate market, the value of the real estate or other collateral securing Fund loans may not, at any given time, be sufficient to satisfy the outstanding principal amount and accrued interest on such loans. If a borrower were to default, and if the collateral were insufficient, the Fund would suffer a loss and Limited Partners could lose some of or their entire investment.

**The Fund expects to lend to credit-impaired borrowers, which may make its investment portfolio susceptible to high levels of default risk.**

The Fund expects to lend money to borrowers that that do not meet ATR Requirements or the QM Rule, and accordingly are either unable or unwilling to obtain financing from traditional sources, such as commercial banks. Loans made to such individuals or entities may entail a high risk of delinquency and loss. Higher than anticipated delinquencies, foreclosures or losses will adversely affect the Fund's profitability and results of operations and may result in a loss of some or the entirety of the Limited Partners' investment in Units.

**The purchase of a minority interest in a loan may affect the ability of the Fund to direct loan enforcement decisions.**

The Fund may purchase undivided fractional interests in loans arranged by the General Partner on behalf of the Fund and other lenders, rather than funding or acquiring an entire loan in the name of the Fund at closing. (See "Fund Management and Loan Servicing - Loan Brokerage and Servicing.") In such circumstances, the General Partner will service the loan as the agent of the Fund, as well as the other purchasers of interests in the loan and could be subject to additional conflicts of interests in determining the appropriate actions to take on behalf of all the lenders. (See "Conflicts of Interest"). Moreover, pursuant to the servicing agreement between the General Partner, the Fund and the other lenders on the loan, the General Partner's actions in loan enforcement will be directed by lenders holding more than 50% of the total outstanding interests in the loan. Consequently, if the General Partner arranges for the Fund to purchase a minority interest in a loan, the Fund will not have the right to control the enforcement of its rights under the loan, if such enforcement action conflicts with the decisions of the majority.

**The Fund's business entails risks related to the ownership of real property.**

When the Fund acquires any equity in real property by foreclosure or otherwise, the Fund is exposed to the risks of liability incident to real property ownership or tenancy. Owners of real property may be subject to liability for injury to persons and property occurring on the real property or related to the activity conducted thereon, as well as liability for failure to comply with governmental regulations.

**The Fund may suffer from uninsured losses.**

The General Partner will require comprehensive title, fire and casualty insurance (as applicable) on the properties securing the Fund's loans. At the General Partner's discretion, the General Partner may also require earthquake insurance, but will not generally do so. However, there are certain types of losses (generally of a catastrophic nature) which are either uninsurable or not economically insurable, such as losses due to war, floods, mudslides or other acts of God. Should any such disaster occur, or if casualty insurance lapses through oversight, the Fund could suffer significant loan losses.

**The industry in which the Fund will be active is not extensively regulated or supervised.**

The lending and investment practices of the Fund are not supervised or regulated by any federal or state authority, except to the extent that the lending and brokerage activities of the General Partner and the Fund are subject to supervision or regulation by the Oregon Real Estate Division. A return on a Limited Partner's investment is completely dependent upon the successful operation of the Fund's business. To the extent that the Fund does not operate successfully for any reason, its ability to return Limited Partners' investments and earn a profit is limited.

**Lending laws and other laws and regulations applicable to the Fund's business may be amended in the future and affect the Fund's ability to operate.**

The laws and regulations applicable to the Fund's lending and the offering of Units are subject to amendment by federal and state regulators and agencies. Changes in such laws and regulations that may result from future federal, state or municipal actions, judicial decisions, or interpretations of existing laws and regulations could affect the ability of the Fund to operate under its current business plan. (See "Fund Business and Lending.") Following the 2008-2009 financial crisis, a great deal of new federal and state legislation was enacted to regulate the mortgage lending business far more closely. To date, most such legislation has been primarily focused on owner- occupied residential mortgage loans made for personal, family or consumer purposes.

**There are risks of government action if the General Partner or the Fund does not comply with all applicable laws and regulations.**

While the General Partner will use its best efforts to comply with all local, state and federal lending regulations applicable to it and to the Fund, there is the possibility of governmental action to enforce any alleged violations of such lending laws which may result in legal fees, damage awards or fines and penalties.

**The Fund may be responsible for environmental liabilities.**

Under current federal and state law, the owner of real property contaminated with toxic or hazardous substances (including a mortgage lender that has acquired title through foreclosure) may be liable for all costs associated with any remedial action necessary to bring the property into compliance with applicable environmental laws and regulations. This liability may arise regardless of who caused the contamination or when it was caused.

The Fund does not and will not participate in the on-site management of any facility on the property to minimize the potential for liability for cleanup of any environmental contamination under applicable federal, state or local laws. There can be no assurance that the Fund would not incur full recourse liability for the entire cost of any such removal and cleanup, or that the cost of such removal and cleanup would not exceed the value of the property. In addition, the Fund could incur liability to tenants and other users of the affected property, or users of neighboring property, including liability for consequential damages. The Fund would also be exposed to risk of lost revenues during any cleanup, and to the risk of lower lease rates or decreased occupancy if the existence of such substances or sources on the property becomes known. If the Fund fails to remove the substances or sources and clean up the property, it is possible that federal, state and/or local environmental agencies could perform such removal and cleanup and impose and subsequently foreclose liens on the property for the cost thereof. The Fund may find it difficult or impossible to sell the property prior to or following any such cleanup. Fund could be liable to the purchaser thereof if the General Partner knew or had reason to know that such substances or sources existed. In such case, the Fund could also be subject to the costs described above. If toxic or hazardous substances are present on real property, the owner may be responsible for the costs of removal or treatment of the substances. The owner may also incur liability to users of the property or users of neighboring property for bodily injury arising from exposure to such substances. If the Fund is required to incur such costs or satisfy such liabilities, this could have a material adverse effect on Fund profitability. Additionally, if a borrower is required to incur such costs or satisfy such liabilities, this could result in the borrower's inability to repay its loan from the Fund.

Even if the Fund does not foreclose on a contaminated site, the mere existence of hazardous substances on the property may depress the market value of the property such that the loan is no longer adequately secured.

A lender's best protection against environmental risks is to thoroughly inspect and investigate the property before making or investing in a loan. The General Partner may take some precautions to avoid environmental problems but is not required to engage in any specific environmental review of the property. When deemed appropriate by the General Partner prior to making a loan, the Fund may engage a qualified environmental inspection firm to conduct an environmental review of the property (which may or may not include a "Phase I" or other level of environmental review). However, due to the nature of many types of environmental contamination, the possibility of the existence of toxic substances may not be apparent from a site visit, and the General Partner will generally not conduct any environmental review on properties not known or suspected to have environmental problems. Moreover, even if an environmental review is conducted, it may not reveal the extent or all types of contamination. As a result, it is possible that a security property could have toxic contamination not known to the General Partner at the time of making the subject loan.

**The Fund may be subject to the additional risks associated with undeveloped land.**

The property that secures a loan may consist of undeveloped land. For numerous reasons, undeveloped land is generally considered a riskier and more speculative form of security for a loan than is improved real estate. For example, before improvements can be constructed on undeveloped land the owner of the land may need to secure entitlements (e.g., zoning approvals, variances, and architectural approvals), undergo review of and obtain clearance on environmental impact issues (including, but not limited to issues concerning traffic, open space, school or transit impact, endangered species, wetlands, noise and air quality), obtain building permits, secure access and connections to necessary utilities, obtain construction financing, undertake and complete construction, and find buyers or tenants once the undeveloped land has been improved. Many of these risks are no longer an issue with improved real estate.

Moreover, it is likely that undeveloped land will not generate any income that can be used to pay the interest and/or principal owing under the loan or real property taxes assessed against the undeveloped land. Accordingly, the borrower must have other sources of income to make these payments. If hypothecated notes are secured by undeveloped land, then the borrowers under such hypothecated notes must also have other sources of income to make their payments under the hypothecated notes.

Even if the owner of undeveloped land intends to hold the undeveloped land for investment, rather than developing the land itself, any prospective purchaser of the undeveloped land will take these risks into account when it sets the purchase price. Additionally, it can take up to several years or more to market and sell undeveloped land. Due to this potentially protracted time frame, it may be difficult for the owner of undeveloped land to sell the undeveloped land in time to pay off the loan at maturity. Finally, most lenders are more reluctant to lend against undeveloped land than against improved real estate due to the risks and other matters described above. Due to these considerations, it may be more difficult for a borrower to sell or refinance the real property security to repay the loan, or for the borrowers under hypothecated notes to sell or refinance to repay the hypothecated notes.

In acknowledgment of these increased risks, the Fund will not make a loan secured by undeveloped land that exceeds 50% of the current fair market value of the undeveloped land. This does not, however, eliminate the risks described above. It merely provides the Fund with a greater equity cushion should the borrower default under a loan, but the Fund would still suffer a loss if the property value falls by almost half, which can easily occur with undeveloped land.

**The Fund will face an ongoing risk of litigation.**

The General Partner will act in good faith and use reasonable judgment in selecting borrowers and making and managing the loans. However, as a lender, the General Partner and the Fund are exposed to the risk of litigation by a borrower for any allegations by the borrower (warranted or otherwise) regarding the terms of the loans or the actions or representations of the General Partner in making, managing or foreclosing on the loans. It is impossible for the General Partner to foresee what allegations may be brought by a specific borrower. The General Partner will use its best efforts to avoid litigation if, in the General Partner's judgment, the circumstances warrant an alternative resolution. If an allegation is brought and/or litigation is commenced against the Fund or the General Partner, the Fund

will incur legal fees and costs to respond to the allegations and to defend any resulting litigation. If the Fund is required to incur such fees and costs, this could have an adverse effect on Fund profitability.

**The Fund will not register as an "investment company" under the Investment Company Act of 1940.**

The Fund will not be registered as an "investment company" under the Investment Company Act of 1940 (the "ICA") in reliance upon Sections 3(c)(5) thereof. Accordingly, Limited Partners will not receive the protections afforded by the ICA to investors in a registered investment company.

Risks Related to the General Partner

The loans in which the proceeds of this offering will be invested have not yet been identified, and Limited Partners will have no opportunity to review potential Fund loans. The General Partner will make all decisions with respect to the management of the Fund, including the dete1mination as to what loans to make or purchase. Additionally, the Fund is dependent to a substantial degree on the continued services of the General Partner and its principals. In the event of the dissolution of the General Partner or the death, retirement or other incapacity of Mr. Simrin, the business and operations of the Fund may be adversely affected.

The Limited Partners will not have the ability to control the day to day operations of the Fund or to control the General Partner. It will be difficult to remove the General Partner.

The Limited Partners will not have a voice in the management decisions of the Fund and can exercise only a very limited amount of control over the General Partner. The Limited Partners have only the voting rights set forth in the Limited Pa1tnership Agreement or required by Delaware law. A vote of 75% interest of the Limited Partners (a "Partner Majority") is required to remove the General Partner. Because there may be a significant number of Limited Partners holding Units, and Limited Partners may have differing opinions with respect to a course of action to take respecting the Fund, it may be difficult, time consuming and costly to solicit adequate votes to remove the General Partner.

**The General Partner is not required to devote its full time to the business of the Fund.**

The General Partner is not required to devote its full time to the Fund's affairs, but only such time as the affairs of the Fund may reasonably require. Each of the principals of the General Partner has ongoing businesses outside of and in addition to the business of the Fund, which will compete for the General Partner's time and resources.

The Fund has not yet identified any loans which it will make and investors are relying on the General Partner to review anti make all Fund investment decisions.

The loans in which the proceeds of this offering will be invested have not yet been identified, and Limited Partners will have no opportunity to review potential Fund loans prior to acquisition. The General Partner will make all decisions with respect to the management of the Fund, including the determination as to what loans to make or purchase. Additionally, the Fund is dependent to a substantial degree on the continued services of the General Partner or certain of its principals. In the event of the dissolution of the General Partner or the death, retirement or other incapacity of one or more of the principals of the General Partner profiled in the "The General Partner and Affiliates" section of this Circular, the business and operations of the Fund may be adversely affected.

**The General Partner is not registered or certified as an investment advisor and will not select mortgage loan investments based upon the interests of any particular Limited Partner.**

The General Partner is not registered or certified as an investment advisor under the Investment Advisors Act of 1940 (the "***IA***A") or the Oregon Securities Law (the "***OSL***") based upon the expectation that it is, or will be exempt from such requirements. Accordingly, Limited Partners will not receive the benefits of any protections that might result from such certification/registration. Moreover, investment decisions made by the General Partner will be made based upon the investment objectives of the Fund, rather than those of any Limited Partner or group of Limited

Partners. Investors should consult their own investment advisors or other investment professionals with respect to the suitability of an investment in the Fund and its underlying portfolio of mortgage loans as it relates to their own personal financial situation and investment risk profile.

**The Joint Venture Offering, the Fund and/or the fund sponsored by an affiliate of the General Partner may be integrated under federal securities law subjecting the General Partner or the Fund to liability.**

The various securities offerings sponsored by PacWest or its affiliates are each designed to be exempt from the registration provisions of the Securities Act of 1933, as amended, but there can be no assurance that the SEC would not take the position that each of the offerings, though individually exempt from the registration under the Securities Act of 1933 are part of a larger, unregistered offering thereby exposing the General Partner, and potentially the Fund, to regulatory action by the SEC and possibly to civil liability. Although the General Partner believes that the application of the above described integration doctrine is not applicable to the sale of the Units due to safe harbors established by the SEC, there can be no such assurance.

**The General Partner is subject to conflicts of interest.**

There are several areas in which the interests of the General Partner will conflict with those of the Fund, which should be carefully considered. (See "***Conflicts of Interest***.")

**Limited Partners of the Fund will have no claim to the fees payable to the General Partner.**

The Fund and its borrowers will pay certain fees and compensation to the General Partner. (See "Compensation to the General Partner.") These fees will be owed as incurred. Even if the Fund is unsuccessful in generating sufficient income to cover its operations, it will have no claim against the General Partner for a refund of such fees.

**Neither the Fund nor the General Partner have audited financial statements**.

While neither the Fund nor the General Partner have financial statements audited by outside auditors, the General Partner believes its financial statements are complete and accurate, and prepared in accordance with generally accepted accounting principles. However, absent the level of verification provided by an audit by a third-party independent accounting firm there can be no such assurance, although even audited financial statements are not a guarantee that a company's financial statements are free of fraud. In addition, the General Partner is not required to provide investors in the Offering with financial information concerning the General Partner to which the investors may use in analyzing the financial strength of the General Partner, although that information is available to investors upon request. Therefore, a decision to make an investment in the Company must be based upon the information provided elsewhere in this Circular without financial statement information and therefore, the limited information provided herewith with which investors will make an investment decision may not completely or accurately represent the financial condition of the General Partner or the Fund. Furthermore, as a non-reporting SEC company, neither the Fund nor the General Partner are required to provide you with annual audited financial statements or quarterly unaudited financial statements, although investors will be provided with monthly reports of operation. (See "***Additional Information and Undertakings***").

Risks Related to Ownership of the Units

**There is no market for the Units, and transfer of the Units could be severely restricted by law or market conditions.**

There is no public market for the Units and none is expected to develop in the future. Even if a potential buyer could be found, the transferability of Units is also restricted to Oregon residents for six months after acquisition by SEC Rule 147 (e) promulgated under the Securities Act of 1933, as amended, and by the provisions of the Limited Partnership Agreement. (See "Terms of the Offering - Restrictions on Transfer.") Any sale, transfer or encumbrance of Units also requires the prior written consent of the General Partner, which may be withheld in its sole discretion. Furthermore, Limited Partners will have only limited rights to redeem Units or withdraw from the Fund or to otherwise

obtain the return of their invested capital. Therefore, all purchasers of Units must have the ability to withstand the economic risks of this investment with the understanding that their interest in the Fund may not be liquidated by resale, and should expect to hold their Units for an indeterminate period of time, and should understand that such inability to sell or withdraw "on demand" will subject an investment in Units to any losses the Fund may experience during such period.

**Limited Partners will be subject to actions taken by a Majority of Limited Partners.**

The Limited Partners have only the voting rights set forth in the Limited Partnership Agreement or required by Delaware law and a vote of a Partner Majority is required to exercise such rights. Consequently, each Limited Partner will have no right to require or approve any action of the Fund or the General Partner that conflicts with the will of the Partner Majority and it may be difficult, time consuming and costly to solicit adequate votes to take any action because there may be a significant number of Limited Partners holding Units, and Limited Partners may have differing opinions and perspectives with respect to a course of action to take.

**If the Fund cannot collect all the principal and interest due on its loans, the Fund's ability to earn a profit or to fund withdrawals will be impaired.**

The Fund's liquidity is dependent on, among other things, payments by borrowers of principal and interest on Fund loans. The General Partner will continually monitor the delinquency status of the Fund's loan portfolio and promptly institute collection activities on delinquent accounts but these efforts may ultimately prove unsuccessful. Loan repayments are also likely to be affected by economic conditions in the real estate market. The failure of the Fund to collect nearly all the principal and interest on Fund loans will affect the Fund's profitability and may substantially impair the Fund's ability to operate successfully.

**The Fund will be taxed as a Partnership and the Limited Partners will be taxed as "Partners."**

The Fund will elect to be treated as a partnership for federal income tax purposes. Schedule K-1 will be sent to Limited Partners no later than March 15.for the preceding tax year. Any favorable federal tax treatment presently available with respect to the Fund could be affected by any changes in tax laws that may result through future Congressional action, tax court or other judicial decisions, or interpretations of the Internal Revenue Service. IN VIEW OF THE FOREGOING, PROSPECTIVE LIMITED PARTNERS ARE URGED TO REVIEW THE "FEDERAL INCOME TAX CONSEQUENCES" SECTION CAREFULLY AND TO CONSULT THEIR OWN TAX COUNSEL.

**The Units are not insured or guaranteed by any government agency or public entity or third party.**

The Units are not insured or guaranteed by the Federal Deposit Insurance Corporation (the "***FDIC***"), the Securities Investor Protection Corporation (the "***SIPC***") or any other governmental agency or any other public or private entity, in contrast to certificates of deposit or accounts offered by banks, savings and loan associations or credit unions. Limited Partners in the Fund will be dependent on the General Partner's ability to effectively manage the Fund's business to generate sufficient cash flow for the repayment of Limited Partners' capital and the generation of any profit. If Fund cash flow proves inadequate, investors could lose part or all their investments.

**The timing of Fund loss recognition (if any) will be based on various factors, and losses will be allocated to Investors who purchased Units before the loss is recognized for accounting purposes even though the loss occurred earlier.**

The Fund will accrue income over the course of a month (or other accounting period) and such income is allocated to Limited Partner's capital accounts over the course of that period. However, losses tend to be identified and recognized as the result of specific events, such as the placement of a loan on non-accrual status, and thus losses are allocated less frequently and at the end of an accounting period. As with most other investments, a purchaser may purchase Interests before a loss has been recognized for accounting purposes, but once recognized, such loss will be allocated to the investor's Interests as well as to the other Limited Partners of the Fund on the loss recognition date. In

addition, under certain circumstances the General Partner may be aware that a loss could occur, such as upon a missed payment by a borrower, but the General Partner will not immediately recognize a loss because the Fund's policies may not require a default recognition until several payments are missed (for example, to allow a borrower time to cure the missed payments). Therefore, investors should be aware that if any actual or potential losses exist before they purchase Interests they may be recognized afterwards and could be allocated to their capital accounts.

**The Fund is not required to set aside any funds to satisfy requests for withdrawals or redemptions from the Fund. A new investor's subscription may be used in whole or in part to fund withdrawals or redemptions.**

The General Partner will not create or contribute funds to a separate account to fund requests for withdrawal from the Fund and redemption of an investor's Units. Because funds are not set aside periodically to fund such withdrawals, Limited Partners must rely on cash flow from operations and funds from the sale of Units to satisfy withdrawal requests. Money received from the sale of Units may be used in whole or in part, at the discretion of the General Partner, to fund such withdrawal and redemption requests. To the extent cash flow from operations and the sale of Units is not sufficient to fund withdrawal requests received by the Fund at any time, a Unit which is unredeemed will remain subject to Fund operations, which may include Fund losses. Furthermore, an investor may be admitted to the Fund at a time when there is a waiting list to withdraw, making it likely that such investor will not be able to withdraw quickly upon being admitted and therefore will remain subject to the Fund's operating results, which may include losses.

**Fluctuations in interest rates pose risks to the Fund's business.**

Mortgage interest rates are subject to abrupt and substantial fluctuations, but the right of a Fund Limited Partner to withdraw capital from the Fund is subject to substantial restriction and Units are a relatively illiquid investment. If prevailing interest rates rise above the average interest rate being earned by the Fund's loan portfolio, investors may wish to liquidate their investment to take advantage of higher returns available from other investments but may be unable to do so.

**The Limited Partnership Agreement does not contain provisions to protect investment in the Units.**

The Units do not have the benefit of extensive protective provisions in the Limited Partnership Agreement. The provisions of the Limited Partnership Agreement are not designed to protect a Limited Partner's investment if there is a material adverse change in the Fund's financial condition or results of operations. For example, a Limited Partner's ability to withdraw from the Fund is limited. Therefore, the Limited Partnership Agreement provides very little protection of Limited Partners' investment.

**Limited Partners may be obligated to return certain impermissible distributions.**

Limited Partners are not required to contribute any additional capital to the Fund beyond their investment to pay any debts of the Fund. Under Delaware law, however, limited partnerships, such as the Fund are prohibited from making distributions to their Limited Partners if following such distribution, the limited partnership would be unable to pay its debts or following such distribution the limited partnership's total liabilities would exceed its total assets. Limited Partners receiving such distributions may be obligated to return the distribution, but only if such Limited Partner had actual knowledge of the impropriety of the distribution at the time it was made. Consequently, to the extent that a return of a Limited Partner's capital contribution is deemed a distribution, a Limited Partner may be required under certain circumstances to return such distributions to the Fund to discharge the Fund's liabilities to creditors who extended credit to the Fund during the period such capital contribution was held by the Fund.

**The Units are risky and speculative investments and if you cannot afford to lose your entire investment, you should not invest.**

Prospective investors should be aware that the Units are risky and speculative investments suitable only for investors of adequate financial means. If you cannot afford to lose your entire investment, you should not invest in the

Units. If the Fund accepts an investment, you should not assume that the Units are a suitable and appropriate investment for you.

**There is no guaranty that monthly distributions of Fund income will be made. Investors that will sustain substantial economic hardship in the absence of monthly income distributions from the Fund should not invest.**

An investor in the Fund may, upon purchasing Units, elect to have his or her share of Fund earnings distributed, however, neither the amount of, nor the right to, such monthly distributions is guaranteed. Investors purchasing Units are only entitled to distributions equal to their pro-rata share of monthly net income to the extent cash is available for distribution. If the Fund is unable to generate sufficient accrued cash in any given month to distribute to electing Limited Partners no distributions will be made. (See "Summary of Limited Partnership Agreement - Cash Distributions.") Consequently, investors that will rely on the monthly income received from the Fund to meet their monthly expenses or who will suffer substantial economic hardship in the absence of such income should not invest.

**Investors have not been independently represented in the formation of the Fund.**

Investors in the Fund have not been represented by independent counsel in its organization, and the attorneys who have performed services for the Fund have also represented the General Partner. Thus, conflicts of interest between the Fund and the General Partner may not have been addressed as vigorously as in an arms-length transaction. (See "Conflicts of Interest.")

## RESPONSIBILITIES OF THE GENERAL PARTNER

The General Partner is accountable to the Limited Partners to the limited extent as set forth in this Circular and the Limited Partnership Agreement. The General Partner will conduct the affairs of the Fund in the best interests of the Fund and of the Limited Partners.

The General Partner will provide the Limited Partners with information in regarding matters affecting the Fund and each Limited Partner's Interests on a quarterly and annual basis in accordance with the Limited Partnership Agreement. Each Limited Partner, at such Limited Partner's expense, shall have the right to inspect the Fund's business records during normal business hours as may be reasonably requested by such Limited Partner; provided, however, that the Fund shall not be obligated to provide access to any information that it reasonably and in good faith considers to be confidential information.

The General Partner shall take all actions necessary or appropriate for (i) the continuation of the Fund's valid existence as a limited partnership under the laws of the State of Delaware (and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Limited Partners or to enable the Fund to conduct the business in which it is engaged), and (ii) the accomplishment of the Fund's purposes, including acquiring and servicing Policies and any undivided interest therein in accordance with the provisions of this Agreement and applicable laws and regulations. The General Partner has a fiduciary responsibility to the Fund for the safekeeping and use of all funds and Fund assets, whether or not the General Partner has possession or control of those funds or assets.

The Limited Partnership Agreement provides that the Fund shall indemnify the General Partner and its shareholders, officers, directors, employees and agents for any liability or loss (including attorneys' fees, which shall be paid as incurred), suffered by such party, and shall hold the General Partner harmless for any loss or liability suffered by the Fund, so long as a General Partner determined, in good faith, that the course of conduct which caused the loss or liability was in the best interests of the Fund, and such loss or liability did not result from the gross negligence or gross misconduct of the General Partner. Any such indemnification shall only be recoverable out of the assets of the Fund and not from Limited Partners. Notwithstanding the foregoing, the General Partner nor any of its Affiliates shall be indemnified for any liability imposed by judgment (including costs and attorneys' fees) arising from or out of a violation of state or federal securities laws associated with the offer and sale of Units. However, indemnification will be available for settlements and related expenses of lawsuits alleging securities law violations if a court approves the settlement and indemnification, and for expenses incurred in successfully defending such lawsuits

if a court approves such indemnification. Such indemnification shall survive the termination of the Limited Partnership Agreement.

Limited Partners may have a more limited right of action than they would have absent these provisions in the Limited Partnership Agreement. A successful indemnification of the General Partner could deplete the assets of the Fund. Limited Partners who believe that a breach of the General Partner's fiduciary duty has occurred should consult with their own legal counsel.

## ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974 ("ERISA") contains strict fiduciary responsibility rules governing the actions of "fiduciaries" of employee benefit plans. It is anticipated that some Limited Partners will be corporate pension or profit-sharing plans and Individual Retirement Accounts, or other employee benefit plans that are subject to ERISA. In any such case, the person making the investment decision concerning the purchase of Units will be a "fiduciary" of such plan and will be required to conform to ERISA's fiduciary responsibility rules. Persons making investment decisions for employee benefit plans (i.e., "fiduciaries") must discharge their duties with the care, skill and prudence which a prudent person familiar with such matters would exercise in like circumstances. In evaluating whether the purchase of Units is a "prudent" investment under this rule, fiduciaries should consider each of the risk factors set forth above. Fiduciaries should also carefully consider the possibility and consequences of unrelated business taxable income (see "Federal Income Tax Considerations."), as well as the percentage of plan assets which will be invested in the Fund, insofar as the diversification requirements of ERISA are concerned. An investment in the Fund is relatively illiquid, and fiduciaries must not rely on an ability to convert an investment in the Fund into cash to meet liabilities to plan participants who may be entitled to distributions. DUE TO THE COMPLEX NATURE OF ERISA, EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT HIS OWN TAX ADVISOR OR PENSION CONSULTANT TO DETERMINE THE APPLICATION OF ERISA TO HIS OR HER PROSPECTIVE INVESTMENT.

The Fund will limit subscriptions for Units from ERISA plan investors such that, immediately after each sale of Units, ERISA plan investors will hold less than 25% of the total outstanding partnership interests in the Fund.

Fiduciaries of plans subject to ERISA are required to determine annually the fair market value of the assets of such plans as of the close of any such plan's fiscal year. Although the General Partner will provide annually upon the written request of a Limited Partner an estimate of the value of the Units based upon, among other things, outstanding mortgage investments, it may not be possible to value the Units adequately from year to year, because there will be no market for them.

## CONFLICTS OF INTEREST

The following is a list of the important areas in which the interests of the General Partner will conflict with those of the Fund. The Limited Partner must rely on the general fiduciary standards which apply to a general partner of a limited partnership to prevent unfairness by the General Partner and/or its Affiliates in a transaction with the Fund. (See "Responsibilities of the General Partner.") Except as may arise in the normal course of the relationship, there are no transactions presently contemplated between the Fund and its General Partner or Affiliates other than those listed below.

### Fees Payable to PacWest

None of the compensation set forth under "Compensation to the General Partner" was determined by arm's length negotiations. The origination and processing fees charged to borrowers by PacWest will average approximately 4% of the principal amount of each loan but may range as high as 6%. Any increase in such charges will have a direct, adverse effect upon the interest rates that borrowers will be willing to pay the Fund, thus reducing the overall rate of return to Limited Partners. Conversely, if PacWest reduces the origination and processing fees, a higher rate of return might be obtained for the Fund and the Limited Partners. This conflict of interest will exist in with every Fund loan transaction, and Limited Partners must rely upon the General Partner to protect their interests. To partially resolve this

conflict, PacWest has agreed that the origination and processing fees to be received by it relating to each loan arranged for the Fund will not exceed 6% of the total loan amount.

PacWest will earn the largest portion of its compensation from these origination and processing fees that it collects at loan closing, which are not affected by whether the Fund's loan proves to be a good investment. Therefore, PacWest may be motivated to close loans using Fund funds that are risky or otherwise not in the best interests of the Fund, to earn its fees. Limited Partners must rely on the good faith of the General Partner to protect their interests in this regard.

Other Funds or Businesses

PacWest has been sponsoring Joint Venture Offering since 2009 and it and Mr. Simrin have other affiliated lending businesses and, in the future, Mr. Simrin or the General Partner may sponsor other limited partnerships or other entities whose investment objectives are like the Fund's. It is possible that these other partnerships and investors will have funds to invest at the same time as the Fund. There will then exist conflicts of interest on the part of the General Partner between the Fund and the other partnerships or investors with which it is affiliated at such time. The General Partner will decide which loans are appropriate for funding by the Fund or by such other partnerships and investors after consideration of all relevant factors, including the size of the loan, portfolio diversification, and amount of funds available for investment.

The General Partner and Affiliates may engage for their own account, or for the account of others, in other business ventures, like that of the Fund or otherwise, and neither the Fund nor any Limited Partner shall be entitled to any interest therein.

The Fund will not have independent management and it will rely on the General Partner and Affiliates, shareholders, officers, directors, employees and agents for the operation of the Fund. The General Partner will devote only so much time to the business and affairs of the Fund as is reasonably required. The General Partner will have conflicts of interest in allocating management time, services and functions between the Joint Venture Offering, the Fund, an offering directed exclusively to accredited investors of which an Affiliate is general partner established in 2018 and any future partnerships which it may organize as well as other business ventures in which it may be involved. The General Partner believes it has sufficient staff to be fully capable of discharging its responsibilities to all such entities.

Lack of Independent Legal Representation

The Fund has not been represented by independent legal counsel to date. The use by the General Partner and the Fund of the same counsel in the preparation of this Circular and the organization of the Fund has resulted in the lack of independent review. Prospective investors must rely on their own legal counsel for legal advice relating to this investment.

Sale of Defaulted Loans or Real Estate Owned

In the event a Fund loan goes into default or the Fund becomes the owner of any real property because of foreclosure on a Fund loan, the General Partner will arrange the sale of the loan or property for a price that will permit the Fund to recover the full amount of its invested capital plus accrued but unpaid interest and other charges, or so much thereof as can reasonably be obtained considering current market conditions. *The Fund will not sell a mortgage loan or foreclosed property to the General Partner or an Affiliate of the General Partner* and the General Partner will not receive any rebates, give-ups or any other benefit or enter into any reciprocal business arrangement from the sale of a property owned by the Fund which has been acquired after default or foreclosure.

## FEDERAL INCOME TAX CONSIDERATIONS

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE U.S. TAX CONSEQUENCES TO PROSPECTIVE LIMITED PARTNERS. EACH

PROSPECTIVE LIMITED PARTNER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE LIMITED PARTNER.

Neither the Fund nor the General Partner has sought a ruling from the U.S. Internal Revenue Service (the "IRS") or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the Fund nor has either obtained an opinion of counsel with respect to any tax issues.

This summary of certain aspects of the Federal income tax treatment of the Fund is based upon the Internal Revenue Code of 1986, as amended (the "Code"), judicial decisions, Treasury Regulations (the "Regulations") and rulings in existence on the date hereof, all of which are subject to change. This summary does not discuss the impact of various proposals to amend the Code which could change certain of the tax consequences of an investment in the Fund. The discussion contained herein is not a full description of the complex tax rules involved and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change, retroactively as well as prospectively. A decision to invest in the Fund should be based upon an evaluation of the merits of the investment program, and not upon any anticipated U.S. tax benefits. Additionally, the following discussion is based, in part, on the recently enacted Tax Cuts and Jobs Act, H.R.1, that became effective as of January 1, 2018 (the "Tax Act"). The Tax Act, including the provisions relating to entities treated as partnerships, is new and complex. The discussion about the Tax Act in this Memorandum may not be complete and potential investors are urged to consult their individual tax advisors to understand how the Tax Act will apply to them with respect to an investment in the Fund.

**Classification of the Fund as a Partnership**

Subject to the discussion set forth below, a business (such as the Fund) that has two or more partners and that is not organized as a corporation under federal or state law will generally be classified as a partnership for U.S. federal income tax purposes. The General Partner has received an opinion from counsel that 1) the Fund is more likely than not to be taxed as a partnership and not as an association for federal income tax purposes and, 2) the issuance and sale of the Units against payment for such Units will have been duly authorized by all necessary action by the Partnership, that the Units will be validly issued and, under Delaware law, purchasers of the Units will have no obligation to make further payments for their purchase of Units solely by reason of their ownership of the Units or their status as limited partners.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a publicly-traded partnership (a "PTP"). For this purpose, a partnership is "publicly traded" if its interests are traded on an established securities market or are readily tradable in a secondary market (or the substantial equivalent thereof). The General Partner intends to operate the Fund, however, so that the Units will not be traded on an established securities market nor readily tradable in a secondary market and, therefore, the Fund should not be treated as a PTP taxable as a corporation.

**Taxation of Limited Partners.** Assuming the Fund is treated as a "partnership" for federal income tax purposes, the Fund as an entity will not be directly subject to any federal income taxes. The Fund will, however, file information returns for each tax year setting forth the income, gains, items of tax preference, losses, deductions and credits of the Fund. The Fund will provide tax information to the Limited Partners for use in the preparation of their individual federal income tax returns. Each Limited Partner will be required to report on his individual income tax return his allocable share of the Fund's taxable income, gains, items of tax preference, losses, deductions, and credits for the taxable year of the Fund ending within or with his own tax year. The requirement that a Limited Partner include in his gross income his share of the Fund's income, gains and items of tax preference does not depend upon the Fund's making distributions of cash or property to the Limited Partners. Therefore, a Limited Partner may incur tax liability if the Fund has income, even though no cash distribution is made to the Limited Partner.

If cash or other property is distributed to a Limited Partner, such distribution is applied first to reduce the Limited Partners adjusted basis in his Units, and any amounts of cash in excess of the adjusted basis in his Units will be treated as gain from a sale of the Units. If the Limited Partner has held his Units for longer than one year, such gain

will be taxable as long-term capital gain unless the Limited Partner is deemed to be a “dealer” with respect to the Units and except to the extent of such Limited Partner’s share of the Fund’s “unrealized receivables” and “substantially appreciated inventory” as defined in Section 751 of the Code. It is unlikely any significant gain on a sale of the Units would be deemed to be attributable to an unrealized receivable or substantially appreciated inventory and, therefore, constitute ordinary income. Any decrease in a Limited Partner’s share of Fund liabilities will be treated as a distribution of cash to such Limited Partner.

**Tax Basis in Limited Partnership Interests**. The tax basis of a Limited Partner’s Units limits the Fund losses a Limited Partner is permitted to deduct and is used in determining the gain or loss a Limited Partner recognizes on distributions in complete or partial disposition of his Units. As a general rule, the tax basis of a Limited Partner in his Units will be determined by the amount of cash contributed to the Fund or his cost basis in the Units. Such basis will be increased by the Limited Partner’s distributive share of Fund income, his proportionate share of any liabilities with respect to which such Limited Partner bears the economic risk of loss (“Recourse Liabilities”), and his proportionate share of any liabilities with respect to which no Limited Partner bears the economic risk of loss (“Nonrecourse Liabilities”.)

**Taxation of Undistributed Fund Income**. Under the laws pertaining to federal income taxation of partnerships, no federal income tax is paid by the Fund as an entity. Each individual partner reports on his federal income tax return his distributive share of Fund income, gains, losses, deductions and credits, regardless of if any actual distribution is made to such partner during a taxable year. Each individual partner may deduct his distributive share of Fund losses, if any, to the extent of the tax basis of his Units at the end of the Fund year in which the losses occurred. The characterization of an item of profit or loss will usually be the same for the partner as it was for the Fund. Since individual partners will be required to include Fund income in their personal income without regard to whether there are distributions of Fund income, such investors will become liable for federal and state income taxes on Fund income even though they have received no cash distributions from the Fund with which to pay such taxes.

**Distributions of Income**. To the extent cash distributions exceed the current and accumulated earnings and profits of the Fund, they will constitute a return of capital, and each Limited Partner will be required to reduce the tax basis of his Units by the amount of such distributions and to use such adjusted basis in computing gain or loss, if any, realized upon the sale of Units. Such distributions will not be taxable to Limited Partners as ordinary income or capital gain until there is no remaining tax basis, and, thereafter, will be taxable as gain from the sale or exchange of the Units.

**Property Held Primarily for Sale; Potential Dealer Status**. The Fund has been organized to invest in loans primarily secured by deeds of trust on real property. However, if the Fund were at any time deemed for federal tax purposes to be holding one or more Fund loans primarily for sale to customers in the ordinary course of business (a "dealer"), any gain or loss realized upon the disposition of such loans would be taxable as ordinary gain or loss rather than as capital gain or loss. The federal income tax rates for ordinary income are higher than those for capital gains. In addition, income from sales of loans to customers in the ordinary course of business would also constitute unrelated business taxable income to any investors which are tax-exempt entities. Under existing law, if real property is held primarily for sale to customers in the ordinary course of business must be determined from all the relevant facts and circumstances. The Fund intends to make and hold the Fund loans for investment purposes only, and to dispose of Fund loans, by sale or otherwise, at the discretion of the General Partner and as consistent with the Fund's investment objectives. It is possible that, in so doing, the Fund will be treated as a "dealer" in mortgage loans, and that profits realized from such sales will be considered unrelated business taxable income to otherwise tax-exempt investors in the Fund.

**Tax Returns**. Annually, the Fund will provide the Limited Partners (but not assignees of Limited Partners unless they become substituted Limited Partners) sufficient information from the Fund's informational tax return for the Limited Partners to prepare their individual federal, state and local tax returns, including Schedule K-1. The Fund's informational tax returns will be prepared by certified public accountants selected by the General Partner.

**Trade or Business Income**. The Fund will report its income as being derived from the trade or business of mortgage lending, not as "portfolio income." The General Partner believes this is the proper characterization, but there

can be no assurance that it will not be challenged by the Internal Revenue Service. If the Fund is deemed to be engaged in the trade or business of lending money, its income allocable to that business will generally be characterized as non-passive income, against which passive losses from other sources may not be offset. This is true even though its net losses allocable to that activity (or that portion of Limited Partners' loss on the sale of a unit that is allocable to the Fund's mortgage lending business) will be treated as passive activity losses. If the Fund is not considered engaged in a trade or business of lending money, then income and loss from its mortgage lending activities will be considered portfolio income and loss. In either case, Limited Partners will not be permitted to offset passive losses from other activities against Limited Partners' share of that portion of income. Under Section 469 of the Code, the Fund's income will not be passive income against which passive losses from other sources may be offset.

**Deductibility of Partnership Investment Expenditures and Certain Other Expenditures**. Following the enactment of the Tax Act, no miscellaneous itemized deductions are allowed for taxable years beginning after December 31, 2017 and before January 1, 2026. Many, if not all, of the expenses incurred by the Fund in connection with its investment activities may be treated as miscellaneous itemized deductions and, therefore, until January 1, 2026, may not be deductible by the Limited Partners. Commencing January 1, 2026 and assuming the suspension of miscellaneous itemized deductions isn't made permanent or at least extended, investment expenses (e.g. investment advisory fees) paid or incurred for the production of income of an individual, trust or estate would be deductible subject to the following limitations.

First, investment expenses would be deductible only to the extent they exceed 2% of adjusted gross income. In addition, an individual with an adjusted gross income in excess of a specified amount would be further restricted in deducting such investment expenses. Under such provision, there would be a limitation on the deductibility of investment expenses in excess of 2% of adjusted gross income to the extent such excess expenses (along with certain other itemized deductions) exceed the lesser of (i) 3% of the excess of the individual's adjusted gross income over the specified amount or (ii) 80% of the amount of certain itemized deductions otherwise allowable for the taxable year. Moreover, such investment expenses are miscellaneous itemized deductions which would not deductible by a non-corporate taxpayer in calculating its alternative minimum tax liability.

The 2% floor on the deductibility of investment expenses and the nondeductibility of such expenses for alternative minimum tax purposes also apply, in modified form, to estates and trusts. The consequences of these limitations will vary depending upon the personal tax situation of each taxpayer, and each Limited Partner is advised to consult his, her, or its own tax advisor with respect to the application of these limitations to that Limited Partner.

Whether or not the Fund's general and administrative expenses are subject to the above limitations as investment expenses, they should (except to the extent they may be allocated to a passive activity subject to the rules of section 469 of the Code) constitute "investment expenses," which will reduce a Limited Partner's "net investment income" for purposes of the limitation on the deductibility of investment interest under section 163(d) of the Code.

**Organization Expenses, Syndication Expenses; Start-Up Expenditures**. Section 709 of the Code generally prohibits any Limited Partner from deducting any amounts paid or incurred to organize the Fund or to promote the sale of (or to sell) an interest in the Fund. Instead, Section 709 generally permits the Fund to amortize such organization expenses ratably over a period of not less than 180 months. Such organization expenditures include those (i) incurred incident to the creation of the Fund, (ii) chargeable to the capital account, and (iii) of a character which, if expended incident to the creation of a partnership having an ascertainable life, would be amortized over such life. The Fund presently intends to amortize qualifying organization expenditures over a 180-month period. Notwithstanding, these organizational expenses are treated as miscellaneous itemized deductions and, according to the Tax Act, will not be deductible by the Limited Partners.

Expenses connected with the promotion or sale of interests in a partnership, known as syndication fees, are not deductible by the Fund or the Limited Partners and are not eligible for the 180-month amortization as is the case for organizational expenses. Syndication fees include such expenditures connected with the issuing and marketing of interests in a partnership such as sales commissions, certain professional fees, selling expenses and printing costs. Regulation Sections 1.709-1 and 1.709-2 make it clear that the definition of syndication costs includes counsel fees related to securities law advice, certain accountants' fees, brokerage fees and registration fees. The allocation of certain expenses between organization costs and syndication costs is a question of fact and the General partner will use reasonable judgment in claiming amortization deductions for a portion of the organizational expenses. The IRS may,

however, contest such deductions.

Section 195 of the Code provides that no deduction is allowed for start-up expenditures. However, taxpayers may similarly amortize startup expenditures over a period of not less than 180 months. Start-up expenditures include amounts paid or incurred in connection with investigating the creation or acquisition of an active trade or business or paid or incurred in connection with any activity engaged in for profit and for the production of income prior to the day on which the active trade or business begins, in anticipation of the activity becoming an active business. Similarly, with organizational expenses, such start-up expenses are treated as miscellaneous itemized deductions and, according to the Tax Act, will not be deductible by the Limited Partners.

**Application of Rules for Income and Losses from Passive Activities**. Generally, a taxpayer's deductions from passive activities may be used to reduce the taxpayer's tax liability in a given taxable year only to the extent of income from passive activities. A passive activity includes: (a) one which involves the conduct of a trade or business in which the taxpayer does not materially participate; or (b) in general, any rental activity. In general, a taxpayer will be treated as materially participating in an activity only if the taxpayer is involved in the operations of the activity on a regular, continuous and substantial basis. In general, an interest as a limited partner in a general partner managed limited partnership will be treated as an interest in which such limited partner does not materially participate. For this reason, it is anticipated that these restrictions on the use of losses from passive activities will apply to any tax loss generated by the Fund. The passive activity rules apply to individuals (including limited partners, members and S corporation shareholders), estates, trusts, personal service corporations and closely held corporations (that is corporations more than 50 percent of the stock of which is owned by five or fewer individuals).

To the extent that a taxpayer's aggregate losses from all passive activities exceed the taxpayer's aggregate income from all such activities in a given taxable year, the taxpayer has a "passive activity loss" for such year. Such a loss may be carried forward to successive taxable years until fully used against income from passive activities in such years; however, such losses may not be carried back to prior years.

When a taxpayer disposes of its entire interest in a passive activity in a transaction in which all of the gain or loss realized on such disposition is recognized, any loss from that activity that was disallowed by the passive loss rules will cease to be treated as a passive loss, and any loss on such disposition will not be treated as arising from a passive activity. Such losses will be allowed as deductions against income in the following order: (i) gain recognized on such disposition; (ii) net income or gain for the taxable year from all passive activities; and (iii) any other income or gain.

**Application of Basis Limitations on Losses of the Fund**. The amount of any loss of the Fund that a Limited Partner is entitled to include in its income tax return is limited to its adjusted tax basis in its Units as of the end of the Fund's taxable year in which such loss occurred. Generally, a Limited Partner's adjusted tax basis for its Units is equal to the amount paid for such Units, increased by the sum of (i) its share of the Fund's liabilities, as determined for federal income tax purposes, and (ii) its distributive share of the Fund's realized income and gains, and decreased (but not below zero) by the sum of (i) distributions (including decreases in its share of the Fund's liabilities) made by the Fund to such Limited Partner and (ii) such Limited Partner's distributive share of the Fund's realized losses and expenses.

**Application of "At-Risk" Limitations on Losses of the Fund**. The amount of any losses (otherwise allowable for the year in question) that may be deducted by individuals, and certain corporations, in connection with activities that are part of a trade or business or that are engaged in the production of income, cannot exceed the aggregate amount with respect to which such taxpayer is "at risk" in such activity at the close of the tax year. A Limited Partner generally will be considered "at risk" to the extent of the cash and adjusted basis of other property contributed to a partnership, as well as any borrowed amounts contributed to a partnership with respect to which such Limited Partner has personal liability for payment from the Limited Partner's own assets. An obligation to make an additional capital contribution is not treated as a cash contribution until payment is actually made to the partnership. If at the end of a taxable year a Limited Partner's amount "at risk" has been reduced below zero, the deficit amount "at risk" is recaptured and must be included in gross income in that year. The amount recaptured is treated in future years as if it were a deduction suspended by the "at risk" provisions. To the extent that Limited Partner's amount "at risk" is increased above zero in a subsequent year, this additional deduction may be allowable at such time.

Application of Excess Business Losses Limitations on Losses of the Fund. Pursuant to the Tax Act and for

tax years beginning after December 31, 2017 and before January 1, 2026, if a non-corporate taxpayer incurs an "excess business loss" then this loss shall be disallowed and treated as a net operating loss and carried forward to subsequent tax years. For these purposes, Section 461(l) of the Code generally defines "excess business loss" as the amount by which the taxpayer's aggregate deductions attributable to the taxpayer's trades or businesses exceeds the sum of the aggregate gross income and or gains attributable to those trades or businesses plus an additional $250,000 (or $500,000 in the case of married individuals filing joint returns). As mentioned above, there are several other loss limitation rules (e.g. passive loss limitation, at-risk loss limitation, and basis limitation). Section 461(l) of the Code specifically provides that the "excess business loss" is applied after the application of the passive loss limitation rules. It is not yet clear whether and how the at-risk limitation and/or the basis limitation will affect the calculation.

**Capital Gain and Capital Losses**

In general, a Limited Partner's allocable share of the capital gains allocated to the Fund from the sale or exchange of a "capital asset" and net gain from the sale or exchange of certain property used in a trade or business and which capital asset or property is held for more than one year, if any, should be eligible for long-term capital gain treatment (any such gain or net gain, "Long-Term Capital Gain"). Further, under current law, an individual Limited Partner would generally be able to deduct his or her allocable share of the Fund's capital losses for a tax year against his or her, including his or her allocable share of the Fund's, capital gains for such year and then against up to $3,000 ($1,500 for a married individual filing a separate return) of his or her ordinary income for such year. An individual Limited Partner would then be able to carry forward indefinitely (although not carry back) any remaining non-deducted capital losses for possible deduction in later taxable years. For corporate taxpayers, all net capital gains, whether long-term or short-term, are taxed at the corporation's regular tax rate. For such taxpayers, capital losses may only offset capital gains, but unused capital losses may be carried backwards and forwards to other years, subject to certain limitations.

**Tax Rates; Additional 3.8% U.S. Federal Tax on "Net Investment Income"**

Under the Tax Act, the tax rates for individuals were revised commencing in 2018. Such tax rates expire on December 31, 2025 unless they are otherwise extended or made permanent by Congress.

Under the Tax Act, there are seven ordinary income tax brackets for individuals: 10%, 12%, 22%, 24%, 32%, 35% and 37%. The 10% tax bracket applies to single taxpayers with taxable income of not more than $9,525, to married taxpayers who are filing jointly with taxable income of not more than $19,050, to married taxpayers who are filing separately with taxable income of not more than $9,525, and to taxpayers who are heads of households with taxable income of not more than $13,600. The 12% tax bracket applies to single taxpayers with taxable income of more than $9.525 but not more than $38,700, to married taxpayers who are filing jointly with taxable income of more than $19,050 but not more than $77,400, to married taxpayers who are filing separately with taxable income of more than $9,525 but not more than $38,700, and to taxpayers who are heads of households with taxable income of more than $13,600 but not more than $51,800. The 22% tax bracket applies to single taxpayers with taxable income of more than $38,700 but not more than $82.500, to married taxpayers who are filing jointly with taxable income of more than $77,400 but not more than $165,000, to married taxpayers who are filing separately with taxable income of more than $38,700 but not more than $82,500, and to taxpayers who are heads of households with taxable income of more than $51,800 but not more than $82,500. The 24% tax bracket applies to single taxpayers with taxable income of more than $82,500 but not more than $157,500, to married taxpayers who are filing jointly with taxable income of more than $165,000 but not more than $315,000, to married taxpayers who are filing separately with taxable income of more than $82,500 but not more than $157,500, and to taxpayers who are heads of households with taxable income of more than $82,500 but not more than $157,500. The 32% tax bracket applies to single taxpayers with taxable income of more than $157,500 but not more than $200,000, to married taxpayers who are filing jointly with taxable income of more than $315,000 but not more than $400,000, to married taxpayers who are filing separately with taxable income of more than $157,500 but not more than $200,000, and to taxpayers who are heads of households with taxable income of more than $157,500 but not more than $200,000. The 35% tax bracket applies to single taxpayers with taxable income of more than $200,000 but not more than $500,000, to married taxpayers who are filing jointly with taxable income of more than $400,000 but not more than $600,000, to married taxpayers who are filing separately with taxable income of more than $200,000 but not more than $500,000, and to taxpayers who are heads of households with taxable income of more than $200,000 but not more than $500,000. The 37% tax bracket applies to single taxpayers with taxable income above $500,000, to married taxpayers who are filing jointly with taxable income above $600,000, to

married taxpayers who are filing separately with taxable income above $500,000, and to taxpayers who are heads of households with taxable income above $500,000.

Under the Tax Act, Long-Term Capital Gain recognized by, and/or allocable to, an individual taxpayer in a taxable year: (a) is taxed at a rate of 20% if the individual has taxable income of over $425,800 for single taxpayers (or: (i) $479,000 for married taxpayers filing jointly, (ii) $452,400 for taxpayers who are heads of household, and (iii) $239,500 for married taxpayers filing separately); (b) 15% for single taxpayers with taxable income between $38,000 and $425,800 for single taxpayers (or: (i) between $77,200 and $479,000 for married taxpayers filing jointly, (ii) between $51,700 and $452,400 for taxpayers who are heads of household, and (iii) between $38,600 and $239,500 for married taxpayers filing separately); and (c) 0% for all other taxpayers. However, the Long-Term Capital Gain is taxed at a rate of 25% for any such gain that constitutes "unrecaptured section 1250 gain" – generally, the amount of previously-claimed real property depreciation deductions "recaptured" in any direct or indirect sale or other taxable disposition of such real property. Also, under current law, the ordinary income and short-term capital gain recognized by (and allocated to) an individual are subject to U.S. federal income tax rates from a 10% to a maximum 37%, depending on the individuals filing status and taxable income.

In addition, for taxable years beginning after December 31, 2012, individuals (other than non-resident aliens) are subject to an additional 3.8% United States federal tax on the lesser of (i) their net investment income, and (ii) the excess of their adjusted gross income (determined with certain modifications on account of certain foreign earned income and related deductions) over a threshold amount of $250,000 in the case of a taxpayer filing a joint return or a surviving spouse, $125,000 in the case of a married taxpayer filing a separate return, and $200,000 in all other cases. A similar 3.8% United States federal tax will be imposed on certain trusts and estates in respect of the lesser of their undistributed net investment income and the excess of their adjusted gross income over a prescribed threshold. Net investment income is determined under prescribed rules, including special rules relating to income from passive trades or businesses, trades or businesses of trading in financial instruments or commodities, and in respect of dispositions of interests in partnerships and S corporations.

**Alternative Minimum Tax**

The Code provides for an alternative minimum tax for non-corporate taxpayers which is imposed to the extent that such tax exceeds the taxpayer's regular income tax liability. Alternative minimum taxable income is equal to regular taxable income determined with certain modifications. Among the modifications are the non-deductibility of certain itemized amounts and other items otherwise deductible (or partially deductible) for purposes of determining regular taxable income, and the addition to regular taxable income of certain tax preference items. The application of the alternative minimum tax to a Limited Partner cannot be predicted without a thorough consideration of all aspects of the Limited Partner's tax situation. Therefore, it is the responsibility of each Limited Partner to consult with his/her own tax advisor to determine the impact, if any, which the alternative minimum tax might have on an investment in the Fund.

**Tax Audits; Partnership Representative**

The General Partner will act as the "partnership representative" of the Fund. The partnership representative will have the authority, subject to certain restrictions, to act on behalf of the Fund in connection with any administrative or judicial review of items of the Fund's income, gain, loss, deduction, or credit.

A tax return preparer may not sign a return without itself incurring a penalty unless either in its view each position taken on such return is more likely than not to be sustained if challenged by the IRS or such position is separately disclosed on the return. The Fund may adopt positions that require such disclosure, which may increase the likelihood the IRS will examine the Fund's tax returns, or may forego otherwise valid reporting positions to avoid such disclosure, which may increase the tax payable by a Limited Partner.

Legislation was recently enacted that significantly changes the rules for U.S. federal income tax audits of partnerships. Such audits will continue to be conducted at the partnership level, however, unless a partnership qualifies for and affirmatively elects an alternative procedure, any adjustments to the amount of tax due (including interest and penalties) will be payable by the partnership. Under the alternative procedure, if elected, a partnership would issue information returns to persons who were Limited Partners in the audited year, who would then be required to take the

adjustments into account in calculating their own tax liability, and the partnership would not be liable for the adjustments. If the Fund is able to and in fact elects the alternative procedure for a given adjustment, the amount of taxes for which such persons will be liable will be increased by any applicable penalties and a special interest charge.

There can be no assurance that the Fund will be eligible to make such an election or that it will, in fact, make such an election for any given adjustment. If the Fund does not or is not able to make such an election, then (1) the then current Limited Partners, in the aggregate, could indirectly bear income tax liabilities in excess of the aggregate amount of taxes that would have been due had the Fund elected the alternative procedure, and (2) a given Limited Partner may indirectly bear taxes attributable to income allocable to other Limited Partners or former Limited Partners, including taxes (as well as interest and penalties) with respect to periods prior to such Limited Partner's ownership of interests in the Fund. Accordingly, it is possible that a Limited Partner will bear tax liabilities unrelated to its ownership of interests in the Fund. Amounts available for distribution to the Limited Partners may be reduced as result of the Fund's obligations to pay any taxes associated with an adjustment.

The partnership representative of the Fund will be the only person with the authority to act on behalf of the Fund with respect to audits and certain other tax matters and may decide not to elect (or may be unable to elect) the alternative procedure for any particular adjustment. In addition, the Fund and each Limited Partner will be bound by the actions taken by the partnership representative on behalf of the Fund during any audit or litigation proceeding concerning U.S. federal income taxes.

**State and Local Taxation**

In addition to the U.S. federal income tax consequences described above, prospective Limited Partners should consider potential state of Oregon and local tax consequences of an investment in the Fund. State and local laws often differ from Federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Limited Partner’s distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident.

Prospective Limited Partners should consult with their own advisors as to the applicability of such rules in jurisdictions which may require or impose a filing requirement.

**Unrelated Business Taxable Income**

Units may be offered and sold to certain tax-exempt entities (such as qualified pension or profit-sharing plans) that otherwise meet the investor suitability standards described elsewhere in this Circular. (See "Investor Suitability Standards.") Such tax-exempt entities generally do not pay federal income taxes on their income unless they are engaged in a business which generates "unrelated business taxable income," as that term is defined by Section 513 of the Code. Under the Code, tax exempt purchasers of Units may be deemed to be engaged in an unrelated trade or business due to interest income earned by the Fund. Interest income (which will constitute the primary source of Fund income) does not constitute an item of unrelated business taxable income, except to the extent it is derived from "debt-financed property," however, since the Fund will not utilize borrowed funds for the purpose of making or investing in loans, interest earned on Fund loans should not constitute unrelated business taxable income and investors that are otherwise exempt from federal and state income taxes should not realize interest income earned by the Fund.

Rents from real property and gains from the sale or exchange of property are also excluded from unrelated business taxable income, unless the property is held primarily for sale to customers or is acquired or leased in certain manners described in Section 514(c)(9) of the Code. Therefore, unrelated business taxable income may also be generated if the Fund operates or sells at a profit any property that has been acquired through foreclosure on a Fund loan, but only if such prope1ty (I) is deemed to be held primarily for sale to customers, or (2) is acquired from or leased to a person who is related to a tax-exempt investor in the Fund.

The trustee of any trust that purchases Units in the Fund should consult with his or her tax advisors regarding the requirements for exemption from federal income taxation and the consequences of failing to meet such requirements, in addition to carefully considering the fiduciary responsibilities of a trustee with respect to such matters

as investment diversification and the prudence of investments.

## CERTAIN LEGAL ASPECTS OF THE FUND LOANS

The Fund's loans will be secured by either a mortgage or a deed of trust. In some states, a mortgage is the form of security instrument used to secure a real property loan, while in other states a deed of trust is the form of security instrument used to secure a real property loan. A mortgage has two parties: a borrower called the "mortgagor" and the lender called the "mortgagee." The mortgagor gives the mortgagee a lien on the property as security for the loan or, in some states, the mortgagor conveys legal title of the property to the mortgagee until the loan is repaid but retains equitable title and the right of possession to the property so long as the loan is not in default. A deed of trust has three parties: a borrower-grantor called the "trustor," a third-party grantee called the "trustee," and a lender-creditor called the "beneficiary." The trustor grants the property, irrevocably until the debt is paid, "in trust, with power of sale" to the trustee to secure payment of the obligation. The trustee's authority is governed by law, the express provisions of the deed of trust and the directions of the beneficiary.

### Foreclosure

How the Fund will enforce its rights under a mortgage or deed of trust or with respect to hypothecated notes, will depend on the laws of the state in which the property is situated. Depending on local laws, a lender may be able to enforce its mortgage or deed of trust by judicial foreclosure or by non-judicial foreclosure through the exercise of a power of sale. Local laws will also dictate, among other things, the amount of time and costs associated with a judicial or non-judicial foreclosure sale, whether or not a lender would be entitled to recover a deficiency judgment (i.e., the resulting shortfall if the proceeds from the sale of the property are not sufficient to pay the debt) from the borrower, either concurrently with or following a judicial or non-judicial sale, whether there are limits as to the amount of this deficiency judgment, and whether the borrower would have a right to redeem the property following a judicial or non-judicial sale.

A judicial foreclosure is a public sale of property conducted under an order of the court of the state in which the prope1ty is located, with the sales proceeds being applied to satisfy the underlying debt. A judicial foreclosure is subject to most of the delays and expenses of other lawsuits and can take up to several years to complete, depending on how busy the local courts are.

In contrast, a non-judicial foreclosure is a private sale of the property, conducted by the trustee, in the case of a deed of trust, following the giving of appropriate notice and the expiration of appropriate cure periods. It is generally cheaper and quicker to conduct a non-judicial foreclosure than to conduct judicial foreclosure.

A lender would typically undertake a judicial foreclosure when the lender seeks to obtain a deficiency judgment. In some states, a lender is not entitled to recover a deficiency judgment if the lender forecloses non-judicially. Some states also limit the amount of deficiency that can be recovered from a borrower following a judicial foreclosure sale to the difference between the amount of the debt owing to the lender and the higher of (i) the successful sales price bid at the foreclosure sale, or (ii) the fair market value of the property at the time of foreclosure (a so-called "fair value limitation"). Moreover, some states provide that a borrower and/or junior lienholder has a right to redeem the property during a specified period following a judicial foreclosure sale by paying to the successful bidder an amount equal to the successful sales price bid at the foreclosure sale and the costs of the foreclosure sale. This right of redemption can depress the amount bid at a judicial foreclosure sale because the successful bidder would have to take the property subject to the borrower's and/or the junior lienholder's right of redemption.

If a lender elects to undertake a non-judicial foreclosure sale it would, in many states, forego the right to obtain a deficiency judgment. However, real property that is sold through a non-judicial foreclosure sale is, in many states, not subject to a right of redemption.

In summary, whether a lender would pursue a judicial or a non-judicial foreclosure, and the extent and nature of other remedies available to a lender against a borrower about a real property secured loan, will depend on the laws of the state in which the real property is located. If a borrower were to default under a loan, General Partner, as the

loan servicer, would evaluate the applicable laws and consider the enforcement practices typically undertaken by commercial lenders in the state in which the property is located before commencing enforcement actions.

Other Loan Enforcement Issues

Other matters, such as litigation instituted by a defaulting borrower or the operation of the federal bankruptcy laws, may have the effect of delaying enforcement of the lien of a defaulted loan and may in certain circumstances reduce the amount realizable from sale of a foreclosed property. Where a loan is secured by hypothecated notes, the bankruptcy of a borrower under a hypothecated note can impair the value of the hypothecated note as security.

In some instances, a loan may not only be secured by real property security but also guaranteed by a third-party guarantor. Limited Partners should be aware that, depending on local laws, a guarantor may have defenses that would impair the ability of the lender to enforce its guaranty. For example, in some states if a loan obligation is modified without the guarantor's consent, the guarantor may be exonerated from all or part of its obligations under the guaranty. Other states may require that a lender first exhaust all its remedies against the borrower and real property security and only then can seek any resulting deficiency from the guarantor. A guarantor may, under some local laws, be able to waive some of these defenses in advance provided that the waivers are sufficiently explicit.

**Special Considerations for Junior Encumbrances**

The Fund may in rare circumstances acquire a loan secured by a junior deed of trust (i.e., a loan secured by one or more senior liens); however, in no event will loans secured by junior deeds of trust exceed 15% of the Fund's total loan portfolio (by dollar volume) at the time the loan was acquired. If the Fund does invest in a junior loan, however, there are certain additional considerations applicable to junior deeds of trust or mortgages (i.e., junior encumbrances). In addition to the general considerations concerning trust deeds and mortgages discussed above, by its very nature, a junior encumbrance is less secure than more senior ones. Only the holder of a first trust deed or mortgage is permitted to bid in the amount of his credit at his foreclosure sale; junior lienholders must bid cash at a first trust deed or mortgage foreclosure sale. (At a junior lienholder's foreclosure sale, a junior lienholder may bid the amount of his credit.) Accordingly, a junior lienholder (such as the Fund) would need to protect its security interest in the secured property by taking over all obligations of the borrower with respect to senior loans and then keep such obligations current while it forecloses on its junior lien. If the senior loan is a large one, paying current debt service to the senior lender could deplete all of the Fund's cash reserves. Moreover, if the senior loan has matured or is accelerated, the Fund may be compelled to pay it off in full.

As a long-term solution, a junior lienholder would need to commence its own foreclosure action and arrange either (a) to find a purchaser for the property at a purchase price that will recoup the junior lienholder's interest, (b) to refinance the senior loan, or (c) to pay off the senior encumbrances in full and thereby become the senior lienholder (or the owner of the property free and clear of liens). The Fund's inability to achieve any of these solutions in a timely manner will result in severe investment losses to the Fund. This was a common occurrence during the 2007-2008 housing market slump.

The standard deed of trust or mortgage used by most institutional lenders, like the one that will be used by the Fund, confers on the beneficiary the right both to receive all proceeds collected under any hazard insurance policy and all awards made relating to any condemnation proceedings, and to apply such proceeds and awards to any indebtedness secured by the deed of trust, in such order as the beneficiary may determine. Thus, in the event improvements on the prope1ty are damaged or destroyed by fire or other casualty, or in the event the property is taken by condemnation, the beneficiary under the underlying first deed of trust or mortgage will have the prior right to collect any insurance proceeds payable under a hazard insurance policy and any award of damages in connection with the condemnation, and to apply the same to the indebtedness secured by the first deed of trust or mortgage before any such proceeds are applied to repay the Fund's loan.

Prepayment Charges

It is unlikely that loans originated by the Fund will provide for prepayment charges to be imposed on the borrowers in the event of certain early payments on the loans. In the event prepayment charges are imposed, however, any prepayment charges collected on loans will be retained by the Fund. Prepayment penalties are generally enforceable as an alternative performance or option on the part of the borrower, and in some situations may be enforceable even where the prepayment results from acceleration upon default.

## SUMMARY OF LIMITED PARTNERSHIP AGREEMENT

The following is a summary of the Limited Partnership Agreement for the Fund and is qualified in its entirety by the terms of the Agreement itself. Potential investors are urged to read the entire Agreement, which is set forth as Exhibit A to this Circular.

### Rights and Liabilities of Limited Partners

The rights, duties and powers of Limited Partners are governed by the Limited Partnership Agreement and Sections 15611, et seq. of the Delaware Corporations Code (the Delaware Revised Limited Partnership and the discussion herein of such rights, duties and powers is qualified in its entirety by reference to such Agreement and Act.

Investors who become Limited Partners in the Fund in the manner set forth herein will not be responsible for the obligations of the Fund. They will be liable however, to the extent of any deficit in their capital accounts upon dissolution and may also be liable for any return of capital plus interest if necessary, to discharge liabilities existing at the time of such return. Any cash distributed to Limited Partners may constitute, wholly or in part, return of capital.

Limited Partners will have no control over the management of the Fund, except that a Partner Majority may, without the concurrence of the General Partner, take the following actions: (a) terminate the Fund (including merger or reorganization with one or more other partnerships); (b) amend the Limited Partnership Agreement; (c) approve or disapprove the sale of all or substantially all the assets of the Fund; or, (d) remove and replace the General Partner. The approval of a Partner Majority is also required to elect a new general partner to continue the business of the Fund after the General Partner ceases to be a general partner other than by removal. Limited Partners representing 10% of the limited partnership interests may call a meeting of the Fund.

### Capital Contributions

Interests in the Fund will be sold in Units of $25,000, and no person may acquire less than one Unit, without the consent of the General Partner. (For purposes of meeting this minimum investment requirement, a person may cumulate Units he purchases individually with Units purchased by his or her spouse and for his or her ERISA plan, IRA, rollover-IRA, pension or profit-sharing plan.) The General Partner or an Affiliate will purchase one or more Units as its contribution to the Fund to establish its Capital Account.

### Profits and Losses

Profits and losses of the Fund will be allocated among the Limited Partners on a monthly basis according to their respective outstanding capital accounts. Upon transfer of Units (if permitted under the Limited Partnership Agreement and applicable law), profit and loss will be allocated to the transferee beginning with the next succeeding calendar month.

### Cash Distributions

Cash distributions will be made only to those Limited Partners who make the written election, upon subscription for Units, to receive such distributions. Other Limited Partners will receive credits to their capital accounts in amounts equal to their respective allocable shares of Fund income, which results in a compounding effect on their earnings. Limited Partners may not change their elections to begin compounding earnings after subscribing for Units unless this offering of Units continues to be qualified with the Department of Consumer & Business Services

Division of Financial Regulation. The General Partner will receive an amount equal to 1% of all "Cash Available for Distribution," as defined in the Limited Partnership Agreement.

As a result, the percentage Fund interests of non-electing Limited Partners (including voting rights and shares of future income) may increase due to the compounding effect of crediting income to their capital accounts, while the percentage Fund interests of Limited Partners who receive cash distributions will decrease during the term of the Fund.

Capital Account Maintenance

The General Partner will establish a capital account for each Limited Partner which will, upon admission to the Fund, be credited with the amount paid by such Limited Partner's for the purchase of Units. Thereafter, Limited Partners' capital account balance will be increased by: (i) the Limited Partners' pro rata share of any net profits earned by the Fund in such month; and (ii) any additional capital contributions made by the Limited Partners during such month through the purchase of additional Units.

Limited Partners' capital account balance will be reduced by (i) the Limited Partner's pro rata share of any Fund losses incurred in such month; (ii) the amount of cash distributions made to the Limited Partners (but only in the case of Limited Partner's electing monthly income distributions); and (iii) the amount of any withdrawal distributions made to the Limited Partners in such month (if any).

In the event any interest in the Fund is transferred, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

Accounting and Reports

The General Partner will cause to be prepared and delivered to the Limited Partners an annual financial statement of the Fund's operation, which will be prepared by an independent accounting firm. The Limited Partners shall also be provided such detailed information as is reasonably necessary to enable them to complete their own tax returns by the March 15 date after the end of the year.

Restrictions on Transfer

A transferee may not become a substituted Limited Partner without the consent of the General Partner, which may be withheld in its sole discretion. A transferee who does not become a substituted Limited Partner has no right to any information regarding the Fund or to inspect the Fund books but is entitled only to the share of income or return of capital to which the transferor would be entitled.

General Partner's Interest

The General Partner may withdraw and retire from the Fund at any time upon not less than sixty days' written notice to all Limited Partners. Upon such withdrawal and retirement, the General Partner is not entitled to any termination or severance payment from the Fund but shall be paid its then-outstanding capital account balance, provided such payment does not result in the Fund’s insolvency or create liquidity issues as determined by the successor General Partner. In that event the Fund will issue the departing General Partner with a note representing the balance in its Capital Account. The General Partner may also sell and transfer its General Partner's interest in the Fund (including all powers and authorities associated therewith) for such price as it shall determine in its sole discretion, and neither the Fund nor the Limited Partners will have any interest in the proceeds of such sale. However, any such successor or additional general partner must be approved by a Partner Majority.

Term of Fund

The term of the Fund will commence upon the filing of the Certificate of Limited Partnership with the Office of the Secretary of State of Delaware, and will continue until dissolved as provided in the Limited Partnership Agreement; or by operation of law.

Winding Up

The Fund will not terminate immediately upon the occurrence of an event of dissolution but will continue until its affairs have been wound up. Upon dissolution of the Fund, the General Partner will wind up the Fund's affairs by liquidating the Fund's assets as promptly as is consistent with obtaining the fair current value thereof, either by sale to third parties or by collecting loan payments under the terms of the loan. All funds received by the Fund shall be applied to satisfy or provide for Fund debts and the balance shall be distributed to partners in accordance with the terms of the Limited Partnership Agreement.

Withdrawal Limitations

A Limited Partner has no right to withdraw from the Fund or to obtain a return of all or any portion of the sums paid for the purchase of Units (or reinvested earnings with respect thereto) for a minimum of 12 months after such Units are purchased. Withdrawal payments will be made on the last day of a given calendar quarter, subject to certain limitations on the amount withdrawn per quarter and available cash flow as discussed herein. A Limited Partner may initiate a withdrawal (or partial withdrawal) from the Fund by giving written notice to the General Partner ("Notice of Withdrawal"). If a Notice of Withdrawal is delivered at least one month before the end of a given calendar quarter, then withdrawal payments will commence on the last day of the calendar quarter. (For example, a Limited Partner must give the General Partner Notice of Withdrawal on or before May 31st to commence receiving withdrawal payments on June 30th.) Additionally, a Limited Partner may give Notice of Withdrawal during the 12-month minimum investment period, but the Fund is not required to return any sums to a withdrawing Limited Partner prior to the end of the first calendar quarter ending after the 12-month period and at least one month after the Notice of Withdrawal was given.

Exceptions to Limitations on Withdrawal

Notwithstanding the foregoing, the Fund may give priority to the return of the capital accounts of certain Limited Partners and may return such capital accounts prior to the expiration of the minimum 12-month investment period, under the following circumstances:

First, upon the death of the sole beneficiary of a corporate pension or profit-sharing plan, Individual Retirement Account or other employee benefit plan subject to ERISA or upon the death of a Limited Partner (the "Deceased Investor"), the return of such Deceased Investor's capital account shall have priority over the return of other withdrawing Limited Partners' Capital Accounts and may be returned prior to the expiration of such 12-month minimum investment period. Accordingly, if the administrator, executor or other personal representative of the estate of the Deceased Investor gives the General Partner Notice of Withdrawal on or before the last day of the month immediately preceding the last month of a given calendar quarter, the entire capital account of the Deceased Investor will be returned on the last day of such calendar quarter disregarding the 12-month minimum investment period. Notwithstanding the foregoing, if the Deceased Investor's capital account exceeds $25,000, then such capital account shall be returned in quarterly installments not to exceed $25,000 until the entire capital account has been returned in full.

Second, the General Partner, in its sole and absolute discretion, will have the right, at any given time, to immediately return all or a portion of the capital account of one or more ERISA plan investors (the "ERISA Plan Investors") to ensure that the Fund remains exempt from the Plan Asset Regulations. (See "ERISA Considerations.") The return of such ERISA Plan Investors' capital accounts shall have priority over the return of all other withdrawing Limited Partners' capital accounts, including those of Deceased Investors, and may be returned prior to the expiration of such 12-month minimum investment period.

Return of Capital Account

The amount that a withdrawing Limited Partner will receive from the Fund is determined by the Limited Partner's capital account. A capital account is a sum calculated for tax and accounting purposes and may be greater than or less than the fair market value of the Limited Partner's interest in the Fund. The fair market value of a Limited Partner's interest in the Fund will generally be irrelevant in determining amounts to be paid upon withdrawal, except to the extent that the current fair market value of the Fund's loan portfolio is realized by sales of existing loans (which sales will not be made in the ordinary course of the Fund's business).

The return of a withdrawing Limited Partner's capital account is subject to the following limitations:

(1) The Fund will not establish a reserve from which to fund withdrawals, and accordingly, the Fund's capacity to return a Limited Partner's capital account is restricted to the availability of Fund cash flow in any given calendar quarter. For this purpose, cash flow shall be deemed available only after all current Fund expenses have been paid (including compensation to the General Partner and Affiliates) and adequate provision has been made for maintaining adequate reserves and for the payment of all monthly cash distributions on a pro rata basis which must be paid to Limited Partners who elected to receive such distributions upon subscription for Units.

(2) In the sole and absolute discretion of the General Partner, to ensure that the Fund remains exempt from the ERISA plan asset regulation, the Fund may apply available cash flow to return all or a portion of the capital accounts of ERISA Plan Investors.

(3) The Fund will first apply any available cash flow to return the capital accounts of Deceased Investors, subject to a $25,000 limit per Deceased Investor per calendar quarter.

(4) If current cash flow in any given calendar quarter is inadequate to return an amount equal to the capital accounts of all withdrawing Limited Partners during such calendar quarter, the Fund is not required to liquidate any mortgage loans prior to maturity to liquidate the capital account of a withdrawing Limited Partner but is required to distribute whatever cash flow is available to all Limited Partners who have requested withdrawal and provided proper notice on a pro rata basis.

(5) Except as otherwise provided by clause (3) above, distributions of capital accounts to withdrawing Limited Partners are initially limited to $25,000 per calendar quarter, per Limited Partner. If more than 50 Units (i.e., $2,500,000) are sold, the maximum quarterly capital distribution to any withdrawing Limited Partner will be increased by $5,000 for each additional Unit sold. (For example, if the Fund sells a total of 55 Units, the maximum capital distribution would increase to $75,000 per Limited Partner per quarter.)

(6) Finally, except upon the winding up and termination of the Fund, the General Partner will not, within any one calendar year, liquidate more than 20% of the total Fund Capital Accounts outstanding at the beginning of that calendar year. Withdrawal requests will be processed quarterly on a pro rata basis.

During the period that a Limited Partner's capital account is being liquidated: (1) the Limited Partner will also receive monthly distributions of his/her allocable share of earnings in respect of his/her limited partnership interest, as if the Limited Partner had elected to receive monthly distributions upon subscribing for Units; and (2) the withdrawing Limited Partner's capital account will remain subject to reduction by reason of any loan losses that are recognized by the Fund during the withdrawal period.

## LEGAL MATTERS

The General Partner has retained legal counsel to advise it and the Fund regarding the preparation of this Circular and the Limited Partnership Agreement, as well as the offer and sale of the Units offered hereby. Such counsel has not been retained to provide legal services regarding the drafting of any loan documents for Fund loans, the negotiation or closing of any loans or the servicing or enforcement of any loans, nor has it represented the interests of

the Limited Partners regarding the Units offered hereby. Investors purchasing Units that wish to obtain the benefit of review by legal counsel on their behalf must retain their own attorneys to do so.

## PLAN OF DISTRIBUTION

Units will be offered and sold by the General Partner or by its duly authorized agents and employees, who will receive no commission or other remuneration regarding the sale of the Units. Additionally, the General Partner, in its sole discretion, may arrange for Units also to be sold through registered securities broker-dealers. Any such agents, employees or broker-dealers will be paid selling commissions to be negotiated on a case-by-case basis. These selling commissions will be paid by the General Partner, and shallot be an expense of the Fund. There is no firm commitment from any third party to purchase any Units, and there is no assurance that the maximum amount (or the increased maximum amount) of this offering will be received.

## ADDITIONAL INFORMATION AND UNDERTAKINGS

The General Partner undertakes to make available to each offeree every opportunity to obtain any additional information from the Fund or the General Partner necessary to verify the accuracy of the information contained in this Circular, including underwriting criteria used in the General Partner's selection of loans in its portfolio to the extent that it possesses such information or can acquire it without unreasonable effort or expense. This additional information includes, without limitation, all the organizational documents of the Fund, information regarding past mortgage lending experience of the General Partner and all other documents or instruments relating to the operation and business of the Fund which are material to this offering and the transactions contemplated and described in this Circular.

**EXHIBIT A**

LIMITED PARTNERSHIP AGREEMENT OF THE OREGON FUND, L.P.
[ATTACHED]

THE SALE OF LIMITED PARTNERSHIP INTERESTS IN THE OREGON FUND, L.P. HAVE BEEN REGISTERED WITH THE OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES UNDER ORS 59.065 AND OREGON ADMINISTRATIVE RULE ("OAR") 441-065-0020 PROMULGATED THEREUNDER (THE "***OREGON REGISTRATION***"). EXCEPT FOR THE OREGON REGISTRATION, INTERESTS OFFERED BY THIS SUBSCRIPTION AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE FUND OF THE LIMITED PARTNERSHIP INTERESTS, ANY RESALE OF THE LIMITED PARTNERSHIP INTERESTS SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN THE STATE OF OREGON.

**LIMITED PARTNERSHIP AGREEMENT OF**
**THE OREGON FUND, L.P.**
[a Delaware limited partnership]

## 1. FORMATION OF PARTNERSHIP

This Limited Partnership Agreement (this "Agreement") is entered into as of March 27, 2019, by and among PacWest Funding, Inc, an Oregon corporation (the "***General Partner***") and such other Persons as may be added to the Partnership pursuant to the terms hereof (the "Limited Partners"), including Pam Hoepfl as initial limited partner who is the sole limited partner of the Partnership (the "***Initial Limited Partner***").The Partners hereby form a Limited Partnership under the provisions of the Delaware Revised Uniform Limited Partnership Act (the "***Act***") and the terms of this Agreement. The Partnership shall conduct business under the name of "The Oregon Fund, L.P.," which name may be changed from time-to-time by the General Partner upon notice to all Limited Partners.

## 2. DEFINITIONS

Unless stated otherwise, the terms set forth in this Section 2 shall, for all purposes of this Agreement, have the meaning defined herein:

2.1 **"Affiliate"** means (a) any Person directly or indirectly controlling, controlled by or under common control with another Person, (b) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other Person, (c) any officer, director or general partner of such Person, and (d) any Person who is an officer, director, general partner, trustee, or holder of ten percent (10%) or more of the voting securities of any Person described in clauses (a) through (c) of this sentence.

2.2 **"Agreement"** means this Limited Partnership Agreement, as amended from time to time.

2.3 **"Capital Account"** means, with respect to any Partner, the Capital Account maintained for such Partner in accordance with the following provisions:

(a) To each Partner's Capital Account there shall be credited such Partner's Capital Contributions, such Partner's distributive share of Profits, and any items of income or gain (from unexpected adjustments, allocations or distributions) that are specially allocated to a Partner and the amount of any Partnership liabilities that are assumed by such Partner or that are secured by any Partnership property distributed to such Partner.

(b) To each Partner's Capital Account there shall be debited the amount of cash and the Gross Asset Value, as defined in Paragraph 2.9 below, of any Partnership property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Losses, and any items in the nature of expenses or losses that are especially allocated to a Partner and the amount of any liabilities of such Partner that are assumed by the Partnership or that are secured by any property contributed by such Partner to the Partnership.

(c) In the event the Gross Asset Values of the Partnership assets are adjusted pursuant to Paragraph 2.9, the Capital Accounts of all Partners shall be adjusted simultaneously to reflect the aggregate net adjustment as if the Partnership recognized gain or loss equal to the amount of such aggregate net adjustment.

(d) In the event any interest in the Partnership is transferred in accordance with Section 8 of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(e) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulation Section 1.704-l(b) and shall be interpreted and applied in a manner consistent with such Regulation. In the event the General Partner determines that it is prudent to modify the method by which the Capital Accounts, or any debits or credits thereto, are computed to comply with the then-existing Treasury Regulation, the General Partner may make such modification, if it is not likely to have a material effect on the amounts distributable to any Partner pursuant to Section 10 below upon the dissolution of the Partnership. The General Partner shall adjust the amounts debited or credited to Capital Accounts with respect to (a) any property contributed to the Partnership or distributed to the General Partner, and (b) any liabilities that are secured by such contributed or distributed property or that are assumed by the Partnership or the General Partner, in the event the General Partner determines such adjustments are necessary or appropriate pursuant to Treasury Regulation Sec l.704-l(b)(2)(iv). The General Partner shall make any appropriate modification in the event unanticipated events might otherwise cause this Agreement not to comply with Treasury Regulation Section 1.704-l(b).

2.4 **"Funds Available for Distribution"** means an amount of cash equal to the excess of accrued income from operations and investment of, or the sale or refinancing or other disposition of, Partnership assets during any calendar month over the accrued operating expenses of the Partnership during such month, including any adjustments for loan loss reserves or deductions as the General Partner deems appropriate, all determined in accordance with

generally accepted accounting principles; provided, that such operating expenses shall not include any general overhead expenses of the General Partner not specifically related to and reimbursable by the Partnership.

2.5 **"Code"** means the Internal Revenue Code of 1986, as amended, and corresponding provisions of subsequent revenue laws.

2.6 **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

2.7 **"Fiscal Year"** means a year ending December 31.

2.8 **"General Partner"** means PacWest Funding, Inc., or any Person substituted in its place or added as such pursuant to the terms of this Agreement.

2.9 **"Gross Asset Value"** means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the Partnership;

(b) The Gross Asset Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by the General Partner, as of the following times: (a) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property other than money, unless all Partners receive simultaneous distributions of undivided interests in the distributed property in proportion to their interests in the Partnership; and (c) the termination of the Partnership for federal income tax purposes pursuant to Section 708(b)(l)(B) of the Code; and

(c) If the Gross Asset Value of an asset has been determined or adjusted pursuant to clause (a) or (b) above, such Gross Asset Value shall thereafter be adjusted by the depreciation, amortization or other cost recovery deduction allowable taken with respect to such asset for purposes of computing Profits and Losses.

2.10 **"Limited Partners"** means all the Persons admitted to the Partnership as original or substituted Limited Partners. "Limited Partner" means any one of the Limited Partners.

2.11 **"Limited Partnership Interest"** means the percentage ownership interest of any Limited Partner in the Partnership determined at any time by dividing a Limited Partner's current Capital Account by the total outstanding Capital Accounts of all Limited Partners.

2.12 **"Majority of the Limited Partners"** means Limited Partners holding a majority of the total outstanding Limited Partnership Interests as of the first day of any current calendar month.

2.13 **"Net Assets Under Management"** means the total Partnership's capital, including cash, notes (at book value), real estate owned (at book value), accounts receivable, advances made to protect loan security, unamortized organizational expenses and any other Partnership assets valued at fair market value, less Partnership liabilities.

2.14 **"Partners"** mean the General Partner, the Initial Limited Partner and the Limited Partners, collectively. "Partner" means any one of the Partners.

2.15 **"Partnership"** means The Oregon Fund, L.P., a Delaware limited partnership, the limited partnership created pursuant to this Agreement.

2.16 **"Partnership Interest"** means the percentage ownership interest of each Partner in the Partnership as defined in Paragraph 6.1 below.

2.17 **"Person"** means any natural person, partnership, corporation, unincorporated association or other legal entity.

2.18 **"Profits"** and **"Losses"** mean, for each Fiscal Year or any other period, an amount equal to the Partnership's taxable income or loss for such Fiscal Year or other given period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(l) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise accounted for in computing Profits or Losses pursuant to this Paragraph 2.18 shall be added to such taxable income or loss;

(b) Any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) of the Code expenditures pursuant to Treasury Regulation Section 1.704-l(b)(2)(iv)(i), and not otherwise accounted for in computing Profits or Losses pursuant to this Paragraph 2.18, shall be subtracted from such taxable income or loss;

(c) Gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(d) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be

taken into account depreciation, amortization or other cost recovery deductions for such Fiscal Year or other period, computed such that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of a Fiscal Year or other period, depreciation, amortization or other cost recovery deductions shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deductions for such Fiscal Year or other period bears to such beginning adjusted tax basis; and

(e) Notwithstanding any other provision of this Paragraph 2.18, any items of income or gain or expenses or losses, which are specially allocated, shall not be taken into account in computing Profits or Losses.

2.19 **"Units"** mean the shares of ownership of the Partnership issued to Limited Partners upon their admission to the Partnership pursuant to the term hereof.

## 3. ORGANIZATION OF THE LIMITED PARTNERSHIP

3.1 **Principal Place of Business**. The principal place of business of the Partnership shall be located at 4710 Village Plaza Loop, Suite 150, Eugene, Oregon 97401, or at such other place as the General Partner may designate from time to time by written notice to the Limited Partners.

3.2 **Purpose**. The primary purpose of this Partnership shall be to purchase and participate in loans to qualified borrowers, which loans shall be secured by real property.

3.3 **Registered Office and Agent in Delaware**. The address of the Fund's registered office in the State of Delaware is 160 Greentree Drive, Suite 101, Dover 19904, in the County of Kent. The name of its registered agent at such address is National Registered Agents, Inc. The Fund may from time to time have such other place or places of business within or without the State of Delaware as may be designated by the General Partner.

3.4 **Term**. The Partnership term shall commence as of the date the certificate of limited partnership was filed with the Secretary of State, and shall continue until dissolved, unless earlier terminated as provided by this Agreement or by operation of law.

3.5 **Power of Attorney**. Each of the Limited Partners irrevocably constitutes and appoints the General Partner as his, her or its true and lawful attorney-in-fact, with full power and authority for them, and in their name, place and stead, to execute, acknowledge, publish and file:

(a) This Agreement, the Certificate of Limited Partnership and any amendments or cancellations thereto as required under the laws of the State of Delaware.

(b) Any certificates, instruments and documents, including, without limitation, fictitious business name statements, as may be required by or may be appropriate under

the laws of any state or other jurisdiction in which the Partnership is doing or intends to conduct business; and

(c) Any documents which may be required to affect the continuation of the Partnership, the admission of an additional or substituted Partner, or the dissolution and termination of the Partnership.

This grant of authority is a special power of attorney coupled with an interest, is irrevocable, and shall survive the death of each Limited Partner or the delivery of an assignment by each Limited Partner of a Limited Partnership Interest, provided that if such assignee has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power of attorney shall survive the delivery of such assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

3.6 **Withdrawal of Initial Limited Partner**. Upon the admission of Limited Partners to the Partnership, the Initial Limited Partner: (a) shall be deemed to have withdrawn as a Limited Partner of the Partnership; (b) shall receive a return of any capital contribution made by the Initial Limited Partner to the Partnership; and (c) shall have no further right, interest or obligation of any kind whatsoever as a Partner in the Partnership.

## 4. THE GENERAL PARTNER

4.1 **Name and Address**. The name and address of the General Partner is PacWest Funding, Inc., 4710 Village Plaza Loop, Suite 150, Eugene, Oregon 97401.

4.2 **General Authority**. The General Partner shall have all the rights and powers provided to general partners by law and, except as expressly provided herein; and shall have complete and exclusive control over the affairs and management of the Partnership. The General Partner shall have the authority to act on behalf of the Partnership in all matters respecting the Partnership, its business and its property. The General Partner shall have a fiduciary responsibility to the Partnership for the safekeeping and use of all Partnership assets, whether or not the General Partner has possession or control of those assets. The General Partner shall not employ, or permit a third party to employ the funds or assets in a manner except for the exclusive benefit of the Partnership. Without limitation upon the generality of the foregoing, the General Partner shall have authority:

(a) To make any expenditures and incur any obligations deemed necessary for the operation of the business and affairs of the Partnership;

(b) To determine the terms of the offering of Units, including the quantity of allowable discounts or commissions to be paid and the manner of complying with applicable law;

(c) To employ Persons, including the General Partner and/or its Affiliates, to manage the Partnership property· and to perform services for or on behalf of the Partnership, including administrative services, accounting services, auditing services, legal services or other services at the Partnership's expense;

(d) To effect and maintain insurance for the proper protection of the Partnership, its property, the General Partner or Limited Partners, as deemed appropriate in the sole discretion of the General Partner;

(e) To prosecute, defend, pay, collect, compromise, arbitrate, or otherwise adjust all claims or demands of or against the Partnership;

(f) To bind the Partnership in all transactions involving the Partnership's property or business affairs, including the execution of all loan documents and the sale of promissory notes; provided, however, the General Partner may not, without the consent of a majority of the Limited Partners, sell, exchange or hypothecate all or substantially all the Partnership's assets, as those terms are defined in Subparagraph 10.l(c) below;

(g) To amend this Agreement with respect to the matters described in Subparagraphs 12.4(a) through (i) below;

(h) To determine the accounting method or methods to be used by the Partnership, which method may be changed at any time upon written notice to all Limited Partners; and

(i) To open accounts in the name of the Partnership in one or more banks, savings and loan associations or other financial institutions or money market funds, and to deposit Partnership funds in such accounts, subject to withdrawal upon the General Partner's signature, or any Person authorized by the General Partner.

4.3 **Limitations on General Authority**. Notwithstanding the provisions in this Agreement granting general management authority to the General Partner, the General Partner shall not undertake any of the following actions without the written consent of or ratification by a Majority of the Limited Partners:

(a) Do any act in contravention of this Agreement or which is prohibited by law;

(b) Do any act which would make it impossible to carry on the purposes of the Partnership;

(c) Possess or dispose of Partnership assets for other than Partnership purposes;

(d) Admit any Person as a General Partner except as expressly provided in this Agreement;

(e) Admit any Person as a Limited Partner except as expressly provided in this Agreement;

(f) Cause the voluntary dissolution of the Partnership except as expressly provided in this Agreement; or in Paragraph 3.2 above;

(g) Voluntarily withdraw as General Partner, provided such withdrawal does not cause the voluntary dissolution of the Partnership except as expressly provided in this Agreement;

(h) Sell all or substantially all of the Partnership's assets, other than in the ordinary course of business;

(i) Dissolve the Partnership;

(j) Cause a merger or reorganization of the Partnership;

4.5 **Allocation of Time to Partnership Business**. The General Partner shall not be required to devote full time to the affairs of the Partnership, but shall be required to devote such time, effort and skill as is reasonably necessary for the conduct of the Partnership's business. The General Partner may engage in any other business or activity, including businesses and activities related to or competitive with the Partnership.

4.6 **Removal of the General Partner.** The General Partner may be removed upon the following terms and conditions:

(a) The General Partner may be removed by the written consent of a Majority of the Limited Partners, who may exercise such right by presenting to the General Partner a written notice, which shall be executed by a Majority of the Limited Partners and their signatures acknowledged, to the effect that the General Partner is removed effective on the date set forth in such notice.

(b) Concurrently with delivery of such notice or within thirty (30) days thereafter by written notice similarly given, a Majority of the Limited Partners may also designate a successor General Partner.

(c) Substitution of a new General Partner, if any, shall be effective upon written acceptance of the duties and responsibilities of a general partner by the new General Partner. Upon effective substitution of a new General Partner, this Agreement shall remain in full force and effect except for the change in the General Partner and the business of the Partnership shall be continued by the new General Partner. The new General Partner shall thereupon execute and file an amendment to the Certificate of Limited Partnership in the manner required by law.

(d) Failure of the Limited Partners giving written notice of removal of the General Partner to designate a new General Partner within the time specified in Subparagraph 4.6(b) above, or failure of the new General Partner to execute written acceptance of the duties and responsibilities of a general partner within ten (10) days after such designation, shall cause the dissolution and termination of the Partnership, unless the business of the Partnership is continued by a remaining General Partner, if any.

(e) Notwithstanding the above, the General Partner may sell and transfer its General Partner's interest in the Partnership (including all powers and authorities associated therewith) for such price as it shall determine in its sole discretion, without consent of the Limited Partners and the substitution of such new general partner shall be effective upon written acceptance of the duties and responsibilities of a general partner by the new General Partner. Upon effective substitution of a new General Partner, this Agreement shall remain in full force and effect except for the change in the General Partner and the business of the Partnership shall be continued by the new General Partner. The new General Partner shall thereupon execute and file an amendment to the Certificate of Limited Partnership in the manner required by law.

4.7 **Indemnification**. Neither the General Partner nor its shareholders, officers, directors, employees or agents (a "**General Partner Party**") shall have any liability whatsoever to the Partnership or to any Limited Partner for any liability or loss suffered by the Partnership or any Limited Partner, so long as the General Partner Party determined in good faith, that the course of conduct which caused the loss or liability was in the best interests of the Partnership, and such loss or liability did not result from the gross negligence or gross misconduct of the General Partner Party. The General Partner and each General Partner Party shall be entitled to be indemnified by the Partnership, at the expense of the Partnership, against any loss or liability (including attorneys' fees, which shall be paid as incurred) resulting from the assertion of any claim or legal proceeding relating to the activities of the Partnership, including claims or legal proceedings brought by a third party or by Limited Partners, on their own behalf or as a Partnership derivative suit, so long as the General Partner determined in good faith that the course of conduct which gave rise to such claim or proceeding was in the best interests of the Partnership and such course of conduct did not constitute gross negligence or gross misconduct; provided, however, any such indemnification shall only be recoverable out of the assets of the Partnership and not from Limited Partners. Nothing herein shall prohibit the Partnership from paying in whole or in part the premiums or other charge for any type of indemnity insurance by which the General Partner, any General Partner Party, and the agents or employees of the Partnership are indemnified or insured against liability or loss arising out of their actual or asserted misfeasance or nonfeasance in the performance of their duties or out of any actual or asserted wrongful act against the Partnership including, but not limited to, judgments, fines, settlements and expenses incurred in the defense of actions, proceedings and appeals therefrom. Notwithstanding the foregoing, neither the General Partner nor its Affiliates shall be indemnified for any liability imposed by judgment (including costs and attorneys' fees) arising from or out of a violation of state or federal securities laws associated with the offer and sale of Units offered hereby. However, indemnification will be available for settlements and related expenses of lawsuits alleging securities law violations if a court approves the settlement and indemnification, and for

expenses incurred in successfully defending such lawsuits if a court approves such indemnification, provided such court has been advised of the position of the Securities and Exchange Commission with respect to indemnification for securities law violations.

## 5. THE LIMITED PARTNERS—CAPITAL CONTRIBUTIONS

5.1 **Capital Contribution by the General Partner**. The General Partner shall contribute to the Partnership an amount in collected funds equal to no less than $25,000.

5.2 **Capital Contributions of Limited Partners**. Each Limited Partner shall contribute to the capital of the Partnership an amount equal to Twenty-Five Thousand Dollars ($25,000) for each Unit subscribed for, with a minimum subscription of one Unit (1) per Limited Partner (including subscriptions from entities of which such Limited Partner is the sole beneficial owner). The total initial capitalization of the Partnership shall be a maximum of $50,000,000, provided, however, that the General Partner reserves the right to issue additional Units from time to time in the future without the approval of the Limited Partners.

5.3 **Election to Compound Earnings or Receive Cash Distribution**. Upon subscription for Units, a subscribing Person will elect whether to receive monthly distributions from the Partnership or to allow his or her earnings to compound by enrolling in the Partnership's distribution reinvestment plan (the "Plan"), which may be amended from time to time by the General Partner. A limited Partner may withdraw from the Plan at any time by providing the General Partner with reasonable notice. Notwithstanding the foregoing, the General Partner at any time shall have the right to immediately commence making monthly distributions to one or more ERISA plan Limited Partners who previously had elected to compound earnings to enable the Partnership to remain exempt from the application of the ERISA Plan Asset Regulations. Income allocable to Limited Partners who elect to compound their earnings will be retained by the Partnership for purposes of making or investing in further mortgage loans or for other proper Partnership purposes, and the amount of such allocable income will be credited to their Capital Accounts.

5.4 **No Participation in Management.** Except as expressly provided in this Agreement, the Limited Partners shall take no part in the management or control of the Partnership business and activities, and the Limited Partners shall have no right or authority to act for or bind the Partnership, provided however, Limited Partners holding no less than 10% of Limited Partnership Interest may call a meeting to vote on the matters discussed in Paragraph 5.5 (a), (b) or (c) below by giving notice to the General Partner of such request within time periods for notice and meeting established by Delaware law.

5.5 **Rights and Powers of Limited Partners.** In addition to the matters described in Paragraph 4.3 and Paragraph 4.6 above, the Limited Partners shall have the right to vote upon and take any of the following actions upon the approval of a Majority of the Limited Partners, without the concurrence of the General Partner:

(a) Dissolution and termination of the Partnership prior to the expiration of the term of the Partnership, as stated in Paragraph 3.4;

(b) Amendment of this Agreement; or

(c) The sale of all or substantially all the assets of the Partnership.

5.6 **Limited Liability of Limited Partners.** Units are non-assessable, and no Limited Partner shall be personally liable for any of the expenses, liabilities or obligations of the Partnership. or for any losses thereof which exceed such Limited Partner's total capital contribution to the Partnership and such Limited Partner's share of any undistributed net income and gains of the Partnership. Notwithstanding the preceding sentence, a Limited Partner who receives any return of capital (plus interest at the legal rate on any such amount from the date of its return) will remain liable to the Partnership and to its creditors for the amount of such return of capital with interest thereon, to the extent necessary to satisfy creditors of the Partnership who extended credit or whose claims arose prior to the date of the return of such capital; and, provided further, that each Limited Partner shall be obligated upon demand by the General Partner to pay the Partnership collected funds equal to the amount of any deficit remaining in his Capital Account upon winding up and termination of the Partnership.

## 6. PROFITS AND LOSSES; CONTRIBUTIONS

6.1 **Profits and Losses.** All Profits and Losses of the Partnership shall be credited to and charged against the Partners in proportion to their respective "Partnership Interests." Profits and Losses realized by the Partnership during any calendar month shall be allocated to the Partners as of the close of business on the last day of each such month, in accordance with their respective Limited Partnership Interests and in proportion to the number of days during such calendar month that they owned the Limited Partnership Interests, without regard to Profits and Losses realized with respect to time periods within such month.

6.2 **Funds Available for Distribution.** Total Funds Available for Distribution as of the close of business on the last day of each calendar month shall be allocated among the Partners in the same proportions as Profits and Losses as described in Paragraph 6.1 above. Funds Available for Distribution allocable to those Limited Partners who elect to receive cash distributions shall be distributed to such Limited Partners in collected funds by the 15th day after the end of each calendar month. Funds Available for Distribution allocable to the remaining Limited Partners shall be retained by the Partnership and credited to each Limited Partner's respective Capital Account as of the fifteenth day of the succeeding calendar month. Funds Available for Distribution to Limited Partners shall be distributed only to those Limited Partners who elect in writing, upon initial subscription for the purchase of Units, to receive such distributions during the term of the Partnership. Each Limited Partner's decision whether to receive Funds distributions shall be irrevocable after admission to the Partnership, unless the General Partner consents to such change.

6.3 **Funds Distributions Upon Termination.** Upon the dissolution and termination of the Partnership, available Funds shall thereafter be distributed to Partners in accordance with the provisions of Paragraph 10.2 below.

## 7. BOOKS AND RECORDS; REPORTS AND RETURNS

7.1 **Books and Records.** The General Partner shall cause the Partnership to keep the following:

(a) Complete books and records of account, including those required by OAR 441-175-0055(6) and OAR Chapter 441 Division 865, in which shall be entered fully and accurately all transactions and other matters relating to the Partnership.

(b) A current list setting for the full name and last known business or residence address of each Partner, which shall be updated quarterly, listed in alphabetical order and stating his, her or its respective capital contribution to the Partnership and share in Profits and Losses (the "List").

(c) A copy of the Certificate of Limited Partnership and all amendments thereto.

(d) Copies of the Partnership's federal, state and local income tax returns and reports, if any, for the six (6) most recent years.

(e) Copies of this Agreement, including all amendments, and the financial statements of the Partnership for the three (3) most recent years.

All such books and records shall be maintained at the Partnership's principal place of business, and shall be available for inspection and copying by, and at the sole expense of, the Limited Partners or their duly authorized representatives, during reasonable business hours. Furthermore, a copy of the List shall be mailed to a Limited Partner making a request for a copy of the List within 10 days of making the request, provided such Limited Partner's request is made with a proper purpose, which shall include, without limitation, matters relating to the Limited Partners' voting rights under the Agreement and tender offers, It shall be a defense to such production if the purpose and reason for the request for inspection or for a copy of the List is to secure such List or other information for the purpose of selling the List, or copies thereof, or of using the same for a commercial purpose other than in the interest of the applicant as a Limited Partner relative to the affairs of the Partnership. The copy of the List shall be printed in alphabetical order, on white paper, and in a readily readable type size (in no event smaller than 10-point type). If the General Partner neglects or refuses to exhibit, produce, or mail a copy of the List as requested, the General Partner shall be liable to any Limited Partner requesting the List for the costs, including attorneys' fees, incurred by that Limited Partner for compelling the production of the list, and for actual damages suffered by any Limited Partner by reason of such refusal or neglect.

7.2 **Partnership Tax Returns.** The General Partner shall cause to be prepared and distributed to each Limited Partner such information which the Limited Partners may need for preparation of their federal income tax returns by March 15 after the end of each Fiscal Year of the Partnership, and within 120 days after the end of each Fiscal Year the General Partner will provide the Limited Partners with an annual report containing: 1) financial statements prepared by an independent accounting firm; 2) a report of the activities of the Partnership during the period covered by the report, including distributions to the Limited Partners for the preceding Fiscal Year indicating 1) distributions from cash flow from operations during the Fiscal Year, 2) and cash flow from operations during a prior Fiscal Year that had been held as reserves, 3) proceeds from repayment of principal or prepayment of a mortgage to the extent classified as a return of capital for federal income tax purposes, and the foreclosure, sale, exchange, condemnation, eminent domain taking or other disposition of a mortgage or of a property subject to a mortgage, or the payment of insurance or a guarantee with respect to a mortgage, and 4) lease payments on net leases with builders and sellers.

7.3 **Partnership Representative.** For all periods during which Code Sections 6221, et seq, as amended by the Bipartisan Budget Act of 2015, are applicable, the General Partner shall serve as the Partnership Representative for tax purposes (the "Partnership Representative"). The Partnership Representative's rights and obligations set forth in this Section 7.3 create a fiduciary duty on the part of the Partnership Representative to act in the best interest of the Partnership and the Limited Partners.

7.3.1 The Partnership Representative has the sole authority to act on behalf of the Partnership regarding any IRS audits and adjustments. But the Partnership Representative must obtain the approval of the Limited Partners holding more than 50% of the Units before taking any binding action regarding any IRS proceeding. Upon obtaining this approval, the Partnership Representative may:

(a) determine whether to contest any assessment, how to pursue any administrative or judicial proceedings, and whether and on what terms to settle any dispute with the IRS;

(b) select the forum for any tax disputes involving the Company; and

(c) extend the statute of limitations for assessing tax deficiencies against the Limited Partners with respect to adjustments to the Partnership's federal, state, local, or foreign tax returns.

7.3.2 The Partnership must pay all legal and accounting costs and expenses associated with any administrative or judicial proceeding regarding the Company's tax returns.

7.3.3 The Partnership Representative shall promptly notify all the Limited Partners upon receipt of any notice regarding any examination by any federal, state, or local authority about the Company's tax compliance.

7.3.4 With the written approval of more than 50% of the Limited Partners, the Partnership may elect under Section 6221(b) of the Code to opt out of the audit procedures enacted by the Bipartisan Budget Act of 2015, as amended, for any taxable year that the Partnership meets the requirements for such election.

7.3.5 Each Limited Partner shall, on the Limited Partner's income tax return, treat each item of income, gain, loss, deduction, or credit attributable to the Partnership in a manner consistent with the treatment of the income, gain, loss, deduction, or credit on the Partnership income tax return.

7.3.6 Adjustment in Future Tax Years. If any tax proceeding results in adjustment in the amount of any item of Partnership income, gain, loss, deduction, or credit (or share of Partnership income, gain, loss, deduction, or credit allocated to each Limited Partner) for a prior year, the Partnership may take corrective action.

(a) If the Partnership elects to apply Section 6226 of the Code within 45 days from the date of the notice of final partnership adjustment, the Partnership may issue the statement described in Section 6226(a)(2) of the Code to the IRS and to each Limited Partner that held any Units at any time in the year in question. The statement must describe the share of any adjustment to Partnership income, gain, loss, deduction, or credit allocated to each Limited Partner (as determined in the notice of final partnership adjustment issued by the IRS). Upon receipt of the statement, each Limited Partner must take the adjustments described on the statement into account as provided in Section 6226(b) of the Code.

(b) Alternatively, the Partnership may require each Limited Partner that held any Units at any time during the prior year to file an amended tax return reporting the share of the tax adjustments allocated to such Limited Partner and to pay any taxes resulting from the adjustment in accordance with Section 6225(c) of the Code. Each Limited Partner must submit the amended return and pay all related taxes not later than 270 days from the date on which the notice of a proposed partnership adjustment is mailed to the Company.

This Section 7.3 will survive the Company's termination, dissolution, liquidation, and winding up and any Limited Partner's withdrawal from the Partnership or any Limited Partner's transfer of its Units.

## 8. TRANSFER OF PARTNERSHIP INTERESTS

8.1 **Admission of Successor or Additional General Partner.** One or more successor or additional General Partners may be admitted to the Partnership as follows:

(a) The General Partner may at any time designate one or more Persons to be the successor to such General Partner or to be an additional General Partner, in each case with such participation in such General Partner's Partnership Interest as the existing General Partner(s) and the successor or additional General Partner may agree, provided that the Limited Partnership Interests shall not be affected. The foregoing shall be subject to the provisions regarding events causing the dissolution of the Partnership as set forth

in Paragraph 10.1 below, which shall be controlling in any situation to which such provisions are applicable.

(b) Upon any sale or transfer of a General Partner's Partnership Interest, the successor General Partner shall succeed to all the powers, rights, duties and obligations of the assigning General Partner as provided in this Agreement, and the assigning General Partner shall thereupon be irrevocably released and discharged from any further liabilities or obligations of or to the Partnership or the Limited Partners accruing after the date of such transfer. The assignment for security purposes only of the Partnership Interest of the General Partner, or the sale, assignment or transfer of all or any portion of the outstanding stock of a corporate General Partner, shall not be deemed to be a sale or transfer of such General Partner's Partnership Interest subject to the provisions of this Paragraph 8.1.

8.2 **Transfer of Limited Partnership Interests.** No Limited Partnership Interest may be assigned in whole or in part, nor shall any assignee of the whole or any portion of a Limited Partnership Interest in the Partnership have the right to become a substituted Limited Partner in place of his assignor, unless the following conditions are first met:

(a) The assignor shall designate such intention in a written instrument of assignment, which shall be in a form and substance satisfactory to the General Partner;

(b) The written consent of the General Partner to such substitution shall be obtained, which consent shall not be unreasonably withheld, and which, in any event, shall not be given, if the General Partner determines that such sale or transfer may jeopardize the continued ability of the Partnership to qualify as a "partnership" for federal income tax purposes or that such sale or transfer may jeopardize the status of the original sale of said interest pursuant to the intrastate offering exemption from registration under the Securities Act of 1933, as amended;

(c) The assignor and assignee named therein shall execute and acknowledge such other instruments as the General Partner may deem necessary to effectuate such substitution, including but not limited to a power of attorney with provisions more fully described in Paragraph 3.5 above;

(d) The assignee shall accept, adopt and approve in writing all the terms and provisions of this Agreement, as amended, if applicable;

(e) Such assignee shall pay or, at the election of the General Partner, obligate himself to pay all reasonable expenses connected with such substitution, including but not limited to reasonable attorneys' fees; and

(f) The Partnership has received, if requested by the General Partner, a legal opinion that such transfer will not violate the registration provisions of the Securities Act of 1933, as amended, which opinion shall be furnished at the expense of the assignee.

8.3 **Further Restrictions on Transfers.** Notwithstanding any provision to the contrary contained herein, the following restrictions shall also apply to all proposed sales, assignments and transfers of Limited Partnership Interests, and any proposed sale, assignment or transfer in violation of same shall be void:

(a) No Limited Partner shall make any transfer or assignment of all or any part of his Limited Partnership Interest if said transfer or assignment would, when considered with all other transfers during the same applicable twelve-month period, cause a termination of the Partnership for federal or Delaware income tax purposes.

## 9. WITHDRAWAL FROM PARTNERSHIP

9.1 **Withdrawal by Limited Partners.** Except as otherwise expressly provided herein, no Limited Partner shall have the right to withdraw from the Partnership, receive distributions or otherwise obtain the return of all or any portion of his Capital Account balance for a period of twelve (12) months after such Limited Partner's initial subscription of Units, except for monthly distributions of Funds Available for Distribution, if any, to which such Limited Partner may be entitled pursuant to Paragraph 6.2 above. A Limited Partner may withdraw, or partially withdraw, from the Partnership upon the following terms:

(a) A Limited Partner desiring to withdraw from the Partnership after the expiration of this 12-month period shall give written notice of withdrawal ("Notice of Withdrawal") to the General Partner and (subject to the provisions of subparagraph (c) below) such Limited Partner's Capital Account shall be liquidated. Provided such Notice of Withdrawal is delivered on or before the last day of the month immediately preceding the last month of a given calendar quarter, the Partnership shall commence returning all or a portion of a Limited Partner's Capital Account on the fifteenth day following the end of such calendar quarter.

| Withdrawal windows | | |
|---|---|---|
| Give notice of withdrawal to General Partner | Sale as of date, if withdrawal approved | Date funds distributed to withdrawing investor |
| By February 28th | March 31st | April 15th |
| By May 31st | June 30th | July 15th |
| By August 31st | September 30th | October 15th |
| By November 30th | December 31st | January 15th |

(b) Notwithstanding any provision herein to the contrary, in certain situations, as discussed herein, the Partnership may give priority to the return of the Capital Accounts of certain Limited Partners and may return such Capital Accounts prior to the expiration of the minimum 12-month investment period.

(i) First, upon the death of the sole beneficiary of a corporate pension or profit-sharing plan, Individual Retirement Account or other employee benefit

plan subject to ERISA or upon the death of a Limited Partner (the "Deceased Investor"), the return of such Deceased Investor's Capital Account shall have priority over the return of other withdrawing Limited Partners' and may be returned prior to the expiration of such 12-month minimum investment period. For any given calendar quarter, if the administrator, executor or other personal representative of the estate of the Deceased Limited Partner gives the General Partner Notice of Withdrawal on or before the last day of the month immediately preceding the last month of such calendar quarter, the Partnership shall return the entire Capital Account of the Deceased Limited Partner on the last day of such calendar quarter. Notwithstanding the foregoing, if such Deceased Limited Partner's Capital Account exceeds $25,000, then the Capital Account will be returned in quarterly installments not to exceed $25,000 until the entire Capital Account has been returned.

(ii) Second, the General Partner, at its sole and absolute discretion, shall have the right, at any given time to immediately return all or a portion of the Capital Account of one or more ERISA plan investors (the "ERISA Plan Investors") to ensure that the Partnership remains exempt from the ERISA Plan Asset Regulations. The return of such ERISA Plan Investors' Capital Accounts shall have priority over the return of all other withdrawing Limited Partners' Capital Accounts, including those of Deceased Investors, and may be returned prior to the expiration of such 12-month minimum investment period.

(c) A Limited Partner's Capital Account will be returned to a withdrawing Limited Partner, subject to the following limitations:

(i) The Partnership will not establish a reserve from which to fund withdrawals and, accordingly, the Partnership's capacity to return a Limited Partner's Capital Account is restricted to the availability of Partnership cash flow in any given calendar quarter. For this purpose, cash flow is considered to be available only after all current Partnership expenses have been paid (including compensation to the General Partner and its Affiliates) and adequate provision has been made for maintaining adequate reserves (as determined by the General Partner, in its sole discretion) and for the payment of all monthly cash distributions on a pro rata basis which must be paid to Limited Partners who elected to receive such distributions upon subscription for Units.

(ii) At the sole and absolute discretion of the General Partner, the Partnership shall first apply available cash flow to return all or a portion of the Capital Accounts of ERISA Plan Investors.

(iii) The Partnership shall then apply available cash flow to return the Capital Accounts of Deceased Limited Partners, subject to a $25,000 limit per Deceased Limited Partner per calendar quarter.

(iv) If current cash flow in any given calendar quarter is inadequate to return a Limited Partner's Capital Account, the Partnership shall not be required to liquidate any mortgage loans prior to maturity to liquidate the Capital Account of a withdrawing Limited Partner but shall be required to pay whatever cash flow is available to withdrawing Limited Partners in order of withdrawal requests received. Furthermore, no more than 20% of the total Limited Partners' Capital Accounts outstanding as of the beginning of any calendar year shall be liquidated during any such calendar year. If Notices of Withdrawal exceeding these limitations are received by the General Partner, the priority of distributions among Limited Partners (but not deceased Limited Partners who shall have priority) shall be determined by the chronological order in which their respective Notices of Withdrawal are received.

(v) Except as otherwise provided by clause (ii) above, distributions of Capital Accounts to withdrawing Limited Partners in any given calendar quarter shall be limited to $25,000 per such calendar quarter for any withdrawing Limited Partner. Notwithstanding the immediately preceding sentence, if more than 50 Units (i.e., $1,250,000) are sold, the Partnership shall increase the maximum amount any withdrawing Limited Partner is entitled to receive per calendar quarter by $5,000 per each additional Unit sold. (For example, if the Partnership sells 55 units, the maximum amount a withdrawing Limited Partner would be entitled to receive per calendar quarter would be $50,000.)

(vi) Finally, except upon the winding up and termination of the Partnership, the General Partner shall not, within any one calendar year liquidate more than 20% of the total Partnership Capital Accounts which were outstanding on the first day of such calendar year.

9.2 **Retirement by the General Partner.** The General Partner may withdraw and retire from the Partnership upon not less than two (2) months written notice to all Limited Partners. Any retiring General Partner shall not be liable for any debts, obligations or other responsibilities of the Partnership or this Agreement arising after the effective date of such retirement.

9.3 **Payment to Terminated General Partner.** If the business of the Partnership is continued upon the removal, retirement, death, insanity of the General Partner, dissolution, or bankruptcy of a General Partner, as provided in Paragraphs 10.l(d) or 10.l(e) below, then the Partnership shall pay to such General Partner a sum equal to such General Partner's outstanding Capital Account as of the date of such removal, retirement, death, insanity, dissolution or bankruptcy, which amount shall be payable in cash within thirty (30) days after such date, provided the making of such payment does not result in the insolvency or liquidity of the Partnership in the opinion of the successor General Partner. If, in the opinion of the successor General Partner such payment does result in the insolvency or liquidity of the Partnership, then the Partnership shall be the maker of, and deliver a non-interest-bearing promissory note payable from distributions that the terminated General Partner otherwise would have received under the

Agreement had the General Partner not terminated in the case of a voluntary termination, or an interest-bearing promissory note due in five years with equal annual installments in the event of involuntary termination.

9.4 If the business of the Partnership is not so continued, then such General Partner shall receive from the Partnership all sums as it may be entitled to receive as a result of terminating the Partnership and winding up its affairs, as provided in Paragraph 10.02 below.

## 10. DISSOLUTION OF PARTNERSHIP

10.1 **Events Causing Dissolution.** The Partnership shall dissolve upon occurrence of the earlier of the following events:

(a) Expiration of the term of the Partnership as stated in Paragraph 3.4 above.

(b) The affirmative vote of a majority of the Limited Partners.

(c) The sale of all or substantially all the Partnership's assets.

(d) The retirement, death, insanity of the principal of, dissolution or bankruptcy of a General Partner unless, within one hundred eighty (180) days after any such event (i) the General Partner appoints a successor General Partner who executes a written acceptance of the duties and responsibilities of a General Partner as provided herein, or (ii) if no successor General Partner has been so appointed, a Majority of the Limited Partners agree to continue the business of the Partnership and appoint a successor General Partner who executes a written acceptance of the duties and responsibilities of a general partner as provided herein.

(e) The removal of a General Partner, unless within one hundred eighty (180) days after the effective date of such removal (i) the remaining General Partner, if any, elects to continue the business of the Partnership, or (ii) if there is no remaining General Partner, a successor General Partner is approved by a Majority of the Limited Partners as provided in Paragraph 4.7 above, which successor executes a written acceptance as provided therein and elects to continue the business of the Partnership.

(f) Any other event causing the dissolution of the Partnership under the laws of the State of Delaware.

10.2 **Winding Up and Termination.** Upon the occurrence of an event of dissolution, the Partnership shall not immediately be terminated, but shall continue until its affairs have been wound up. Upon dissolution of the Partnership, unless the business of the Partnership is continued as provided above, the General Partner will wind up the Partnership's affairs as follows:

(a) No new loans shall be made or purchased.

(b) The General Partner shall liquidate the assets of the Partnership as promptly as possible to recover their fair market value, either by sale to third parties or by servicing the Partnership's outstanding loans in accordance with their terms; provided, however, the General Partner shall liquidate all Partnership assets for the best price reasonably obtainable to completely wind up the Partnership's affairs within two (2) years after the date of dissolution.

(c) All sums of cash held by the Partnership as of the date of dissolution, together with all sums of cash received by the Partnership during the winding up process from any source whatsoever, shall be applied to pay outstanding Partnership debts (including debts to Partners), and the balance, if any, shall be distributed to the Partners in proportion to their respective outstanding Capital Accounts.

## 11. TRANSACTIONS BETWEEN THE PARTNERSHIP AND THE GENERAL PARTNER

11.1 **Management Fees.** The Partnership shall pay the General Partner a management fee equal to one and one-half percent (1.5%) of the interest paid by borrowers on the balance of all loans owned by the Partnership (the "**Management Fee**"). For example, if the Partnership acquires a loan bearing interest at 12% per annum, the General Partner will receive a management fee with respect to that loan equal to 1.5% per annum, reducing the Partnership's interest on such loan to 10.5% per annum, less the Loan Servicing Fee discussed in 11.3 below. The Management Fee shall be payable monthly.

11.2 **Loan Servicing Fee.** The General Partner will act as servicing agent with respect to all Partnership loans and is expected to manage all the Partnership assets. In consideration for such collection and management efforts the General Partner shall be entitled to receive the following compensation:

(a) A servicing fee equal to 0.75% interest paid by borrowers on loans that require no construction or rehabilitation draws for work in progress. If the loan is a construction or rehabilitation loan that requires progress draws, the servicing fee shall be 1.25% of the interest rate paid. The serving fee shall be payable monthly.

(b) All late charges collected with respect to each loan serviced.

(c) All loan modification fees collected, if any, with respect to each loan serviced.

11.3 **Sale of Real Estate to Affiliates.** In the event the Partnership becomes the owner of any real property by foreclosure or deed in lieu of foreclosure of a Partnership loan, the Partnership shall not sell, hypothecate or otherwise transfer such property to an Affiliate of the General Partner, nor shall the General Partner receive any rebates or give-ups from the Fund or otherwise circumvent the prohibitions imposed by this Paragraph 11.3 by engaging in

transactions with Affiliates that have a substantially similar to conduct prohibited by this Paragraph.

11.4 **Reimbursement of Expenses.** General Partner will not receive reimbursement for the organization costs of the Partnership, however, the General Partner and/or its Affiliates shall be reimbursed by the Partnership for all on-going operating expenses that incur on behalf of the Partnership, including legal accounting and other third-party fees.

## 12. MISCELLANEOUS

12.1 **Covenant to Sign Documents.** Without limiting the power granted by Paragraph 3.5, each Partner covenants, for themselves and their successors and assigns, to execute, with acknowledgement or verification, if required, any and all certificates, documents and other writings which may be necessary or expedient in the creation of the Partnership and the achievement of its purposes, including, without limitation, the Certificate of Limited Partnership and all amendments thereto, and all such filings, records or publications necessary or appropriate in the judgment of the General Partner to comply with the applicable laws of any jurisdiction in which the Partnership shall conduct its business.

12.2 **Notices.** Except as otherwise expressly provided for in this Agreement, all notices which any Partner may desire or may be required to give to any other Partner shall be in writing (including electronic delivery) and shall be deemed duly delivered on the same date if by personal delivery or seventy two hours after deposit in the United States mail, first-class, postage prepaid, addressed to the Partner at the address as shown in the Certificate of Limited Partnership, or as later entered upon the books of the Partnership pursuant to written notification to the General Partner. Notices to the General Partner or to the Partnership shall be delivered to the Partnership's principal place of business, as set forth in Paragraph 3.1 above or as hereafter changed as provided herein.

12.3 **Right to Engage in Competing Business.** Nothing contained in this Agreement shall preclude any Partner from purchasing or lending money upon the security of any other property or rights therein, or in any manner investing in, participating in, developing or managing any other venture of any kind, without notice to the other Partners, without participation. by the other Partners, and without liability to them. Each Limited Partner waives any claim they may have against the General Partners for capitalizing upon information received because of the General Partner's management of the affairs of this Partnership.

12.4 **Amendment.** This Agreement is subject to amendment by the affirmative vote of a Majority of the Limited Partners; provided, however, that no such amendment shall be permitted if the effect of such amendment would be to increase the duties or liabilities of any Partner or change any Partner's interest in Profits, Losses, Partnership assets, distributions, · management rights or voting rights, except as agreed by that Partner. In addition, and notwithstanding anything to the contrary contained in this Agreement, the General Partner shall have the right to amend this Agreement, without the vote or consent of any of the Limited Partners, when:

(a) There is no change in the name of the Partnership or the amount of the contribution of any Limited Partner;

(b) A Person is substituted as a Limited Partner;

(c) An additional Limited Partner is admitted;

(d) A Person is admitted as a successor or additional General Partner in accordance with the terms of this Agreement;

(e) A General Partner retires, dies, files a petition in bankruptcy, the principal of which becomes insane or is removed, and the Partnership business is continued by a remaining or successor General Partner;

(f) There is a change in the character of the business of the Partnership;

(g) There is a false or erroneous statement in this Agreement;

(h) There is a change in the time as stated in the Agreement for the dissolution of the Partnership, or the return of a Partnership contribution; or

(i) A change in this Agreement is required in order that it shall accurately represent the agreement between the Partners.

12.5 **Arbitration Required.** Any dispute or claim that arises out of or that relates to this Agreement, or to the interpretation or breach thereof, or to the existence, validity, or scope of this Agreement, shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

12.6 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and representations, either oral or in writing, between the parties hereto with respect to the subject matter contained herein.

12.7 **Waiver.** No waiver by any party hereto of any breach of, or default under, this Agreement by any other party shall be construed or deemed a waiver of any other breach of or default under this Agreement and shall not prec1ude any party from exercising or asserting any rights under this Agreement with respect to any other breach or default.

12.8 **Severability.** If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

12.9 **Captions.** Paragraph titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in not to define, limit, extend or describe the scope of this Agreement.

12.10 **Number and Gender.** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders.

12.11 **Counterparts**. This Agreement may be executed in counterparts, and by each Partner on separate counterparts, each of which shall be deemed an original.

12.12 **Legal Representation**.

(a) Counsel to the General Partner has prepared this Agreement. Each Partner acknowledges that counsel to the General Partner does not represent any Partner in the absence of a clear and explicit written agreement to such effect between the Partner and such counsel, and that in the absence of any such agreement counsel to the General Partner shall owe no duties directly to any Partner. Notwithstanding any adversity that may develop, in the event any dispute or controversy arises between any Partners and the Partnership, or between any Partners or the Partnership, on the one hand, and the General Partner (or Affiliate), on the other hand, then each Partner agrees that counsel to the General Partner may represent either the Partnership or such General Partner (or its Affiliate), or both, in any such dispute or controversy, and each Partner hereby consents to such representation.

(b) Each Partner further acknowledges that counsel to the General Partner has represented only the interests of the General Partner and not the other Partners in the formation of the Partnership and the preparation and negotiation of this Agreement, and each Partner acknowledges that it has been afforded the opportunity to consult with independent counsel with regard thereto.

*[REMAINDER OF PAGE INTENTIONALLY BLANK]*

**LIMITED PARTNERS OF**
**THE OREGON FUND, L.P.**
[A DELAWARE LIMITED PARTNERSHIP]

A current list of the Limited Partners will be provided by the General Partner upon request of any Partner of the Fund.

**EXHIBIT B**

SUBSCRIPTION AGREEMENT
[ATTACHED]

Subscription Agreement
Oregon Residents only

# The Oregon Fund L.P.

THE SALE OF LIMITED PARTNERSHIP INTERESTS IN THE OREGON FUND, L.P. HAVE BEEN REGISTERED WITH THE OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES UNDER ORS 59.065 AND OREGON ADMINISTRATIVE RULE ("***OAR***") 441-065-0020 PROMULGATED THEREUNDER (THE "***OREGON REGISTRATION***"). EXCEPT FOR THE OREGON REGISTRATION, INTERESTS OFFERED BY THIS SUBSCRIPTION AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE FUND OF THE LIMITED PARTNERSHIP INTERESTS, ANY RESALE OF THE LIMITED PARTNERSHIP INTERESTS SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN THE STATE OF OREGON.

THE GENERAL PARTNER WILL NOT CONSENT TO THE TRANSER OF INTERESTS UNLESS THE TRANSFEREE MEETS CERTAIN FINANCIAL SUITABILITY STANDARDS AND THE PARTICIPATION AGREEMENT BETWEEN THE PARTNERS OF THE LIMITED PARTNERSHIP IS OTHERWISE COMPLIED WITH.

YOU SHOULD NOT PURCHASE THESE LIMITED PARTNERSHIP INTERESTS UNLESS YOU HAVE LIQUID ASSETS SUFFICIENT TO ENSURE THAT YOUR PURCHASE WILL NOT CAUSE UNDUE FINANCIAL DIFFICULTIES.

IN EVALUATING THE SUITABILITY OF AN INVESTMENT IN THE LIMITED PARTNERSHIP, YOU SHOULD NOT RELY UPON ANY REPRESENTATIONS OR OTHER INFORMATION (WHETHER ORAL OR WRITTEN) EXCEPT DOCUMENT FURNISHED BY PACWEST FUNDING, INC. D/B/A PRECISION CAPITAL.

INVESTING IN THE LIMITED PARTNERSHIP INVOLVES CERTAIN RISKS. YOU SHOULD HAVE SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINACIAL MATTERS TO BE ABLE TO EVALUATE THE RELATIVE RISKS AND MERITS OF THIS INVESTMENT. YOU SHOULD BE FULLY COGNIZANT OF THE SPECIAL RISKS ATTENDANT TO THE REAL ESTATE INDUSTRY AND THE INTERESTS BEING OFFERED OR SPEAK TO A PROFESSIONAL LEGAL, TAX, OR FINANCIAL ADVISER ABOUT THE SUITABILITY OF AN INVESTMENT IN THE LIMITED PARTNERSHIP.

NO REPRESENATIONS HAVE BEEN MADE BY PACWEST FUNDING, INC. D/B/A PRECISION CAPITAL IN CONNECTION WITH THE SALE OF THE LIMITED PARTNERSHIP INTERESTS OTHER THAN AS SET FORTH IN THE OFFERING CIRCULAR.

THE INFORMATION PROVIDED TO YOU REGARDING THE LIMITED PARTNERSHIP IS CONFIDENTIAL. ALL INFORMATION MUST BE KEPT IN CONFIDENCE BY YOU AND CANNOT BE USED FOR YOUR PERSONAL BENEFIT (OTHER THAN IN CONNECTION WITH THIS SUBSCRIPTION) OR DISCLOSEDTO ANY THIRD PARTY. THIS OBLIGATION DOES NOT APPLY TO INFORMATION THAT IS (I) PART OF PUBLIC KNOWLEDGE OR IS READILY ACCESSIBLE AS LITERATURE AS OF THE DATE OF THIS AGREEMENT, (II) BECOMES PART OF PUBLICE KNOWLEDGE OR LITERATURE AND, THUS, BECOMES READILY ACCIBLE BY PUBLICATION (EXCEPT AS A RESULT OF A BREACH OF THIS PROVISION), OR (III) IS RECEIVED FROM THIRD PARTIES (EXCEPT THIRD PARTIES WHO DISCLOSE IT IN VIOLATION OF ANY CONFIDENTIALITY AGREEMENT THEY MAY HAVE WITH THE LIMITED PARTNERSHIP.)

THE BOOKS AND RECORDS OF THE LIMITED PARTNERSHIP WILL BE AVAILABLE UPON REASONABLE NOTICE FOR INSPECTION BY INVESTORS DURING REASONABLE BUSINESS HOURS AT THE LIMITED PARTNERSHIP'S PLACE OF BUSINESS.

**THE OREGON FUND, L.P.**

**SUBSCRIPTION AGREEMENT**

Pam Hoepfl
Limited Partner
The Oregon Fund, L.P.
4710 Village Plaza Loop, Suite 100
Eugene, Oregon 97401

Dear Mrs. Hoepfl:

You have provided me with certain information regarding The Oregon Fund, L.P., a Delaware limited partnership (the "***Fund***") of which PacWest Funding, Inc. is the general partner (the "***General Partner***"), including an offering circular dated March 28, 2019 (the "***Offering Circular***") regarding an investment of up to $50,000,000 units of limited partnership interest, which is governed by the terms of the Limited Partnership Agreement of The Oregon Fund, L.P., attached as **Exhibit A** to the Offering Circular (the "***Limited Partnership Agreement***"). You have also provided me with the opportunity to ask questions and to request information regarding the Fund.

In light of that information, I agree with the General Partner as follows:

1. Purchase: Subject to the terms and conditions of this Subscription Agreement and the Limited Partnership Agreement, and for valuable consideration, I irrevocably tender this Subscription Agreement for purchase of _____ units of limited partnership interests in the amount of $_____ (the "***Securities***").

   I intend to own the Securities as follows:

   (CHECK ONE OF THE FOLLOWING):

   ☐ individually
   SSN: _____

   ☐ other (describe) _____
   TIN: _____

*Subscriber(s) name(s). Those persons or entities that will own the investment.*

_____
_____
_____

2. Representations by Subscriber:
   (Please separately initial each of the representations below, if applicable. Except for fiduciary accounts, you may not grant any person a power of attorney to make such representations on your behalf.)

In order to induce the Fund to accept this subscription, I hereby represent and warrant as follows:

a. I have received the Offering Circular and Limited Partnership Agreement, which was prepared and provided to me by the General Partner (together with the amendments and supplements thereto, if any).

**Owner *initials*** _____ **Joint Owner *initials*** _____

b. I acknowledge that this is a long-term investment and there is no public market for the Securities. Thus, my investment in the Securities are not liquid.

**Owner *initials*** _____ **Joint Owner *initials*** _____

c. I am purchasing the Securities for my own account.

**Owner *initials*** _____ **Joint Owner *initials*** _____

d. I understand that the Securities have not been registered under the Securities Act of 1933, as amended, and are not expected to be registered.

**Owner *initials*** _____ **Joint Owner *initials*** _____

e. Set forth below is my true and correct residence or principal place of business, and I have no present intention of becoming a resident of, or moving its principal place of business to, any other state or jurisdiction prior to my purchase of the Securities. (Principle place of business shall be deemed to be the state in which the officers, partners or managers of the subscriber primarily directs, controls and coordinates the activities of subscriber.

**Owner *initials*** _____ **Joint Owner *initials*** _____

f. My income for 2018 is no less than $50,000 (either alone or with joint owner) or my net worth is no less than $70,000.

**Owner *initials*** _____ **Joint Owner *initials*** _____

g. The amount of my purchase of the Securities does not exceed 20% of my net worth.

**Owner *initials*** _____ **Joint Owner *initials*** _____

h. I have the power, capacity and authority to purchase the Securities.

**Owner *initials*** _____ **Joint Owner *initials*** _____

*[REMAINDER OF PAGE INTENTIONALLY BLANK]*

Title to this investment shall be held as follows:

☐ An individual
Upon the subscriber's death, The Oregon Fund, L.P. shall distribute subscriber's interest as may be directed by any court of competent jurisdiction.

☐ With the right of survivorship
Upon the death of one, but not all of the subscribers, The Oregon Fund, L.P. will consider title vested in the name of the remaining survivors.

☐ As Tenants in Common, as follows:

☐ an undivided one-half interest held by each subscriber

☐ an undivided _____% interest to _____
and _____ % interest to _____.

Tenants in Common each own an undivided interest. Upon the death of a tenant in common, The Oregon Fund, L.P. shall distribute subscriber's interest as may be directed by any court of competent jurisdiction.

☐ By an LLC (Provide copy of Operating Agreement)

☐ By a Trust (Provide copy of Certification of Trust)

☐ By an IRA (Provide completed IRA purchase forms)

☐ By a Partnership (Provide copy of Articles of Partnership)

☐ By a Corporation (Provide copy of Articles of Incorporation)

☐ By a Nonprofit (Provide copy of Articles of Incorporation)

*[REMAINDER OF PAGE INTENTIONALLY BLANK]*

**IN WITNESS WHEREOF**, I have executed this Subscription Agreement this _____ day of _____, 20____.

**GENERAL PARTNER:**

THE OREGON FUND, L.P.
BY: PACWEST FUNDING, INC.

BY:_____
PAM HOEPFL

**OR:**

BY:_____
ALLY BEARD

By: _____
*[Signature]*

_____
*[Printed Name of Authorized Signor]*

_____
*[Title (if applicable)]*

By: _____
*[Signature of co-investor (if any)]*

_____
*[Printed name of co-investor (if any)]*

_____
*[Title (if applicable)]*

1. Acceptance and Execution by the Fund:

   The above subscription is hereby accepted this _____ day of _____, 20____, subject to its terms and conditions.

   **THE OREGON FUND, L.P.**
   **PACWEST FUNDING, INC.**

   BY: _____
   PAM HOEPFL, GENERAL MANAGER OF PACWEST FUNDING, INC.

**COUNTERPART SIGNATURE PAGE**

**TO**
**LIMITED PARTNERSHIP AGREEMENT**

THIS COUNTERPART SIGNATURE PAGE to the Limited Partnership Agreement of The Oregon Fund, L.P., a Delaware limited partnership, dated effective as of March 27, 2019 (the "***Limited Partnership Agreement***"), is executed and delivered as of the date set forth below.

The undersigned is hereby designated as a party to, and agrees to be bound by, each and all terms of the Limited Partnership Agreement.

DATED this _____ day of _____, 20 .

By: _____
*[Signature]*

_____
*[Printed Name of Authorized Signor]*

_____
*[Title (if applicable)]*

By: _____
*[Signature of co-investor (if any)]*

_____
*[Printed name of co-investor]*

_____
*[Title (if applicable)]*

Mailing Address:

_____

_____

_____

Email: _____

Phone: _____

# EXHIBIT C

## DISTRIBUTION REINVESTMENT PLAN

[ATTACHED]

**DISTRIBUTION REINVESTMENT PLAN**

**OF**

**THE OREGON FUND, L.P.**

**Effective as of March 28, 2019**

The Oregon Fund, L.P., a Delaware limited partnership (the "***Fund***") hereby adopts the following Distribution Reinvestment Plan (the "***Plan***") with respect to distributions automatically reinvested in the Fund's units of limited partnership interests ("***Units***") at $25,000 per Unit by electing limited partners of the Fund (each a "***Limited Partner***") who deliver a Distribution Reinvestment Plan Enrollment Form, attached hereto as **Exhibit A**, with respect to distributions declared by Pac West Funding, Inc., the general partner of the Fund (the "***General Partner***"):

1. If a Limited Partner elects to participate in the Plan, all cash distributions that would otherwise be payable to such Limited Partner in cash, shall be automatically reinvested as fractional Units at $25,000 per Unit, and no action shall be required on such Limited Partner's part to receive a reinvestment.

2. Such distributions shall be payable on such date or dates as may be fixed from time to time by the General Partner to the Limited Partners of record at the close of business on the record date(s) established by the General Partner for the distributions involved.

3. A Limited Partner may, however, elect to receive any cash distribution in cash and terminate such Limited Partner's participation in the Plan. To exercise this option, such Limited Partner shall notify the General Partner in writing, by telephone or over by email (pursuant to the instructions in Section 6 hereof) so that such notice is received by the General Partner no later than 10 a.m. Pacific time on the date fixed by the General Partner for the distributions involved.

4. The General Partner shall set up a Plan account for cash distributions pursuant to the Plan for each Limited Partner who has elected to automatically reinvest in Units (each a "***Participant***").

5. The General Partner shall confirm to each Participant each acquisition made pursuant to the Plan as soon as practicable. Each Participant may from time to time have an undivided fractional interest (computed to six decimal places) in a Unit and distributions on fractional Units will be credited to each Participant's Plan account.

6. Each Participant may terminate his, her or its account under the Plan by so notifying the General Partner by filling out the transaction request form located at the bottom of the Participant's statement and sending it to PacWest Funding, Inc., Attn: Kevin Simrin, 4710 Village Plaza Loop, Suite 150, Eugene, Oregon 97401 or by calling the General Partner at (541) 485-2223. Such termination will be effective immediately if the Participant's notice is received by the General Partner __ days before the date established by the General Partners for distributions; otherwise, such termination will be effective only with respect to any subsequent distribution or distribution. The Plan may be terminated by the Fund upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any distribution or distribution by the Fund. No Participant shall be permitted to enroll in the Plan within twelve months after terminating a Plan account.

7. Upon any termination of the Plan by the Fund or by a Participant of its or his account under the Plan, the General Partner will cause full and fractional Units held for the Participant under the Plan to be credited to the Participant.

8. These terms and conditions may be amended or supplemented by the General Partner at any time but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Oregon Department of Financial Regulations, Department of Business and Consumer Services or any other applicable regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the General Partner receives written notice from the Participant of the termination of such Participant's account under the Plan.

9. The General Partner shall act in good faith and use its commercially reasonable best efforts to ensure its full and timely performance of all services to be performed by it under this Plan and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the General Partner's negligence, bad faith, or willful misconduct or that of its employees or agents.

10. These terms and conditions shall be governed by the laws of the State of Delaware.

# EXHIBIT D

## DISTRIBUTION REINVESTMENT PLAN ENROLLMENT FORM

[ATTACHED]

**SECTION I – LIMITED PARTNER – PLEASE PRINT**

Name of Limited Partner: _____

Address of Limited Partner: _____

Telephone Number: _____ Email Address: _____

**SECTION II – DISTRIBUTION ELECTION**

You may choose to reinvest your cash distributions paid on your units of limited partnership interests in The Oregon Fund, L.P. (the "***Fund***"). Pease check one of the three boxes below, and sign and date this Enrollment Form.

☐ **Reinvest the distributions on my units of limited partnership interests.** I hereby affirm that the information I provided to The Fund on the subscription agreement I submitted in connection with my subscription for such units is accurate as of the date next to my signature below, and represent and warrant to the Fund that I shall inform the Fund promptly if I am no longer an Oregon resident, or if I no longer meet either the net worth requirement , the income requirement or the percentage of assets invested requirement as stated in the subscription agreement, or if my email address has changed, as the Fund will send, and I agree to accept, monthly statements and any amended or supplemental offering circulars by electronic delivery.

☐ **All cash—Do not reinvest my distributions—Receive check.**

☐ **All cash—Do not reinvest my distributions—Direct deposit my distributions.** I/We hereby authorize The Oregon Fund, L.P. to have my/our distributions deposited automatically in my/our checking/savings account pursuant to the terms of the Distribution Reinvestment Plan.

**SECTION III – BANKING INFORMATION FOR ONE TIME OR RECURRING INVESTMENTS AND/OR DIRECT DEPOSIT AUTHORIZATION – PLEASE PRINT**

**Select One:** Type of Account: Checking ☐ Savings ☐

Name(s) on Bank Account: _____

To be completed by your financial organization if a voided check cannot be supplied or your account is with a credit union or savings & loan.

Name of Financial Organization: _____

Bank Routing Number: _____

Bank Account Number: _____

_____ _____

Signature Date

**SECTION IV – SIGNATURE(S)**

**SIGNATURE(S)**—The signatures below indicate that I/we have read the Fund's Distribution Reinvestment Plan document and agree to its terms and the representations and warranties above. By signing below, I/we agree to the indicated election changes referenced above. The signature of all registered holders is required.

_____ _____

Signature Date

_____ _____

Signature Date

# Direct Withdrawal by ACH Authorization Form
## (Optional)

By signing below, you are authorizing The Oregon Fund, L.P., to withdraw from your account funds to buy-in or make additional capital contributions to the Fund (Please type or print).

| | |
|---|---|
| Investor (Payee) Name | |
| Payee Address<br>(For our records) | |
| Contact Telephone Number | |
| Bank Name | |
| ABA Routing Number | |
| Bank Account Number | |
| Account Type | ☐ Checking ☐ Savings |

- For questions contact Pam Hoepfl: (541) 485-2223
- Email: Pam@precisioncaptial.net
- If your banking information changes in the future, please resubmit this form with updates.

I authorize all withdrawals for Capital Contributions or Buy-ins to the Fund to be made by ACH.

Authorizer Name:

_____
Signature

_____
Printed Name

_____
Date

Authorizer Name:

_____
Signature

_____
Printed Name

_____
Date

# SPECIAL POWER OF ATTORNEY
## (Optional)

**KNOW ALL PERSONS BY THESE PRESENTS,** that I, _____, have made, constituted and appointed, and by these presents do hereby make, constitute, and appoint _____, my true and lawful attorney for me, and in my name, place, and stead, and for my use and benefit, to transact all business henceforth, and until I revoke this special power of attorney, with The Oregon Fund, L.P., with all the privileges and appurtenances thereunto belonging or in anywise appertaining, and for me and in my name to make out, execute, acknowledge, and deliver any instrument or document relating to Precision Capital and my investment(s) therewith.

**GIVING AND GRANTING** unto my said attorney full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that my said attorney or my said attorney's substitute or substitutes shall lawfully do or cause to be done by virtue of these presents.

In construing this instrument, and where the context so requires, the singular includes the plural, and the masculine includes the feminine and neuter.

DATED, this _____ day of _____, 20_____.

By: _____
*[Signature]*

Name: _____
*[Print name of signor]*

Title: _____
*[If applicable]*

# SPECIAL POWER OF ATTORNEY
## (Optional)

**KNOW ALL PERSONS BY THESE PRESENTS,** that I, _____, have made, constituted and appointed, and by these presents do hereby make, constitute, and appoint _____, my true and lawful attorney for me, and in my name, place, and stead, and for my use and benefit, to transact all business henceforth, and until I revoke this special power of attorney, with The Oregon Fund, L.P., with all the privileges and appurtenances thereunto belonging or in anywise appertaining, and for me and in my name to make out, execute, acknowledge, and deliver any instrument or document relating to Precision Capital and my investment(s) therewith.

**GIVING AND GRANTING** unto my said attorney full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that my said attorney or my said attorney's substitute or substitutes shall lawfully do or cause to be done by virtue of these presents.

In construing this instrument, and where the context so requires, the singular includes the plural, and the masculine includes the feminine and neuter.

DATED, this _____ day of _____, 20_____.

By: _____
*[Signature]*

Name: _____
*[Print name of signor]*

Title: _____
*[If applicable]*

# AUTHORIZATION TO TRANSFER FUNDS
**(Optional)**

I hereby instruct Precision Capital to transfer my funds from any Precision Capital loan payoff to The Oregon Fund, L.P. subscription account, a non-interest-bearing checking account.

**Investor Name -** _____

**Investor Number –** _____

_____ _____
Signature of Investor/Authorized Signor Date

_____ _____
Signature of Investor/Authorized Signor Date

**Wire Transfer Instructions**
**For**
**The Oregon Fund L.P.**
**4710 Village Plaza Loop, Suite 100**
**Eugene, OR 97401**
**Tel: 541-485-2223**

**Banner Bank**
**1175 Valley River Dr**
**Eugene, OR 97401**

**ABA Routing No: 323371076**
**Acct No.: 24206001910**

**Credit to the account of The Oregon Fund L.P.**