

**SUPPLEMENT TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
OF
VERSITY INVESTMENTS INCOME FUND II, LLC**

Dated: May 15, 2023

This Fifth Supplement (together with all exhibits hereto, this “**Fifth Supplement**”) updates, through the date hereof, the information previously provided in the Confidential Private Placement Memorandum dated November 18, 2021 (together with all exhibits thereto, the “**Original Memorandum**”), the Supplement to Confidential Private Placement Memorandum dated December 6, 2021 (the “**First Supplement**”), the Second Supplement to Confidential Private Placement Memorandum dated April 29, 2022 (the “**Second Supplement**”), the Third Supplement to Confidential Private Placement Memorandum dated November 16, 2022 (the “**Third Supplement**”), and the Fourth Supplement to Confidential Private Placement Memorandum dated March 22, 2022 (the “**Fourth Supplement**”), which describe the offering of unsecured notes (“**Notes**”) issued by Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “**Fund**”). The Original Memorandum, First Supplement, Second Supplement, Third Supplement, Fourth Supplement and this Fifth Supplement are collectively referred to herein as the “**Memorandum**.” The Offering of the Notes is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Original Memorandum.

This Fifth Supplement is being furnished for your information on a confidential basis so that you may consider your investment in the Notes. This Fifth Supplement is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

As set forth in the Original Memorandum, following receipt of this Supplement if an Investor determines, in his, her or its discretion, that the supplemental information contained herein is unacceptable, then the Investor will be entitled to terminate his, her or its agreement to acquire Notes.

The Notes offered by the Memorandum have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the entity issuing the Notes and the terms of the Offering, including the merits and risks involved.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

The Memorandum is hereby modified and supplemented as follows:

EXTENSION OF OFFERING TERMINATION DATE

The Offering Termination Date has been extended to June 15, 2023.

**SUPPLEMENT TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
OF
VERSITY INVESTMENTS INCOME FUND II, LLC**

Dated: March 22, 2023

This Fourth Supplement (together with all exhibits hereto, this “**Fourth Supplement**”) updates, through the date hereof, the information previously provided in the Confidential Private Placement Memorandum dated November 18, 2021 (together with all exhibits thereto, the “**Original Memorandum**”), the Supplement to Confidential Private Placement Memorandum dated December 6, 2021 (the “**First Supplement**”), the Second Supplement to Confidential Private Placement Memorandum dated April 29, 2022 (the “**Second Supplement**”), and the Third Supplement to Confidential Private Placement Memorandum dated November 16, 2022 (the “**Third Supplement**”), which describe the offering of unsecured notes (the “**Notes**”) issued by Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “**Fund**”). The Original Memorandum, First Supplement, Second Supplement Third Supplement and this Fourth Supplement are collectively referred to herein as the “**Memorandum**.” The Offering of the Notes is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Original Memorandum.

This Fourth Supplement is being furnished for your information on a confidential basis so that you may consider your investment in the Notes. This Fourth Supplement is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Notes offered by the Memorandum have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the entity issuing the Notes and the terms of the Offering, including the merits and risks involved.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

The Memorandum is hereby modified and supplemented as follows:

EXTENSION OF OFFERING TERMINATION DATE

The Manager has extended the Offering Termination Date to May 15, 2023.

NOTE INTEREST RATE

The Manager has determined that all Notes issued by the Fund from March 15, 2023 through the Offering Termination Date will bear interest at a rate of thirteen percent (13.0%) per annum, paid monthly.

AUDIT OF VERSITY INVEST, LLC COMPLETED

As described in the Second Supplement, Versity Invest, LLC, a Delaware limited liability company (“**Versity Invest**”), was added as an additional borrower from the Fund and as an additional guarantor of the Notes, and was undergoing of an audit of its financial statements. The audit of the June 30, 2022 financial statements of Versity Invest has been completed.

**SUPPLEMENT TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
OF
VERSITY INVESTMENTS INCOME FUND II, LLC**

Dated: November 16, 2022

This Third Supplement (together with all exhibits hereto, this “**Third Supplement**”) updates, through the date hereof, the information previously provided in the Confidential Private Placement Memorandum dated November 18, 2021 (together with all exhibits thereto, the “**Original Memorandum**”), the Supplement to Confidential Private Placement Memorandum dated December 6, 2021 (the “**First Supplement**”), and the Second Supplement to Confidential Private Placement Memorandum dated April 29, 2022 (the “**Second Supplement**”), which describes the offering of unsecured notes (the “**Notes**”) issued by Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “**Fund**”). The Original Memorandum, First Supplement, Second Supplement and this Third Supplement are collectively referred to herein as the “**Memorandum**.” The Offering of the Notes is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Original Memorandum.

This Third Supplement is being furnished for your information on a confidential basis so that you may consider your investment in the Notes. This Third Supplement is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

As set forth in the Original Memorandum, following receipt of this Third Supplement if an Investor determines, in his, her or its discretion, that the supplemental information contained herein is unacceptable, then the Investor will be entitled to terminate his, her or its agreement to acquire the Notes.

The Notes offered by the Memorandum have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the entity issuing the Notes and the terms of the Offering, including the merits and risks involved.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

The Memorandum is hereby modified and supplemented as follows:

EXTENSION OF OFFERING TERMINATION DATE

The Manager has extended the Offering Termination Date to April 15, 2023.

NOTE INTEREST RATE

The Manager has determined that all Notes issued by the Fund will bear interest at a rate of ten percent (10.0%) per annum, paid monthly.

MANAGING BROKER-DEALER

Offers and sales of Notes will be made on a “best efforts” basis by WealthForge Securities, LLC, a Virginia limited liability company (“**WealthForge**”), a member of the Financial Industry Regulatory Authority, Inc. (“**FINRA**”), as the exclusive Managing Broker-Dealer for this Offering, and any other participating broker-dealers

which are members of FINRA that WealthForge agrees to include (each, a “**Selling Group Member**” and collectively, the “**Selling Group Members**”). The WealthForge privacy policy is attached as Exhibit A. WealthForge will receive: (i) selling commissions (“**Selling Commissions**”) equal to 6.0% of the gross proceeds of the Offering (the “**Offering Proceeds**”), which will either be paid to affiliates of WealthForge, including employees and contractors of the Sponsor, or reallocated to participating Selling Group Members, (ii) a dealer management fee (“**Dealer Management Fee**”) equal to 0.65% of the Offering Proceeds, some of which may be reallocated to registered representatives affiliated with WealthForge, and (iii) a broker-dealer allowance (“**Broker-Dealer Allowance**”) equal to 1.0% of the Offering Proceeds in connection with its due diligence review of the Offering and facilitating regulatory compliance, which will either be retained by WealthForge or re-allowed to the Selling Group Members. In addition, a wholesaling fee (“**Wholesaling Fee**”) of 1.35% of the Offering Proceeds may be paid to wholesalers, including employees and contractors of the Sponsor. In addition, the Sponsor will be entitled to approximately 0.75% of the Offering Proceeds as payment for organizational and offering expenses incurred in connection with the Offering. The Fund reserves the right to pay reduced selling commissions, fees and expenses or waive such sums with respect to Notes purchased by certain affiliates and other persons. The selling commissions, fees and expenses, as well as other costs associated with the Offering, will be paid by the Fund out of the Offering Proceeds.

EXHIBIT A

PRIVACY POLICY OF WEALTHFORGE SECURITIES, LLC

PRIVACY POLICY

Updated as of January 2022

This Privacy Statement covers: WealthForge Securities, LLC (the “Company”). We do not disclose information to non-affiliated companies except as described below.

1. Acknowledgement and Acceptance of Terms

The Company is committed to protecting your privacy. This Privacy Statement sets forth our current privacy practices regarding the information we collect from you.

2. Third-party Policies

You may have received this privacy notice through a website or an email from a website or other third party, but this Privacy Statement does not apply to any third parties, and we are not responsible for their content. If you visit external websites, we recommend that you review their privacy policies.

The collection, further use, or disclosure of your information by issuers, unaffiliated service providers or by other third parties is not the responsibility of the Company. Such collection, use, or disclosure is governed by the third parties’ privacy policies.

3. Personal Information We Collect From You

To complete your transactions, we will ask you or your financial professional to provide personal information such as name, address, email, telephone number or facsimile number, bank account number, social security number, driver’s license, passport, or other government issued identification number, income or net worth information, and other information relevant to your request for participation in a transaction. You may also be asked to disclose personal information to us so that we can provide assistance and information to you. We will not disclose personally identifiable information we collect from you to non-affiliated parties without your permission, except to the extent necessary to provide the products and services, as described below.

4. How We Use, Share, and Protect Personal Information

The Personal information you provide is used to provide services to you and to inform you of products, services, or opportunities that may be available through the Company. Information and data you provide will also be used to administer our business, and our products and services in a manner consistent with this Privacy Statement and all applicable laws, rules, regulations, or other legal obligations. If you provide us with your name, address, telephone number, or email address, or have done so in the past, the Company may contact you by telephone, mail, or email. Email or other electronic communications sent to us will be maintained in a manner consistent with our legal and regulatory requirements regarding client and public communications.

We do not rent, sell, or share your personal information to unaffiliated organizations except to provide products or services you have requested, when we have your permission, or under certain limited

circumstances. For example, we provide such information to companies who work on behalf of or with the Company, subject to confidentiality agreements. These companies may use your personal information to help the Company communicate with you about the Company's products and services or to assist the Company in the provision of its products and services. The Company may compile and use aggregated, anonymized data that does not directly or indirectly identify you or compromise your personal information in violation of this policy.

The Company may share information that you provide with the issuer and sponsor of the offering in which you have expressed an interest, the other broker-dealers providing services for that issuer and sponsor, as well as other companies providing services in connection with the offering, such as escrow agents and banks, credential-checking services, the issuer's special purpose vehicle(s) for that offering, and other financial intermediaries such as transfer agents, investment advisors, etc.

Social security numbers are only shared with the following and only as applicable to a particular transaction or activity that you initiate: personnel for third-party intermediaries processing the transaction for the issuer and sponsor; other parties that use the social security numbers for the limited purpose of providing services for the offering and that have agreed to maintain the confidentiality of your information; other financial intermediaries involved in the transaction; and the issuer and sponsor of the securities.

The Company maintains reasonable physical, electronic, and procedural safeguards that comply with applicable laws and regulations to protect personal information about you and works with vendors and partners to protect the security and privacy of user information. The Company maintains the information collected on servers located within the United States and does not transfer your data to other countries.

5. Other Reasons We Share Personal Information

We also use information you provide to respond to subpoenas, court orders, or other similar legal obligations and processes, comply with regulatory requests and audits, or to establish or exercise our legal rights or defend against legal claims. In addition, we will share such information if we believe it is required by law or it is necessary to investigate, prevent, or take action regarding illegal activities or suspected fraud or the rights or property of the Company or third parties.

Finally, we may transfer information about you to any acquirer or successor of the Company if and to the extent that the Company is acquired by or merged with another company.

6. Changes to this Statement

The Company has the discretion to update this Privacy Statement at any time.

7. Notice of Residents of California and Nevada

The Company has the discretion to update this Privacy Statement at any time. When we do, we will also revise the "updated" date at the top of this page. We encourage you to review this Privacy Statement each time you receive it to stay informed about our use of your information.

California Residents:

California law requires that we obtain your affirmative consent before we share your nonpublic personal information with non-affiliated third-party companies.

The California Consumer Privacy Act requires that Company inform you of your rights, provide a list of the categories of personal information it has collected about consumers in the past twelve (12) months and detail what categories of personal information it sells or discloses.

Rights of California Residents

1. Right of access

California residents have the right to request that a business that collects a resident's personal information disclose to that resident the categories and specific pieces of personal information the business has collected.

California residents have the right to request that a business that collects personal information about the resident disclose to the resident the following:

- (1) The categories of personal information it has collected about that resident.
- (2) The categories of sources from which the personal information is collected.
- (3) The business or commercial purpose for collecting or selling personal information.
- (4) The categories of third parties with whom the business shares personal information.
- (5) The specific pieces of personal information it has collected about that consumer.

2. Right to know what we sell or disclose

California residents have the right to request that a business that sells the resident's personal information, or that discloses it for a business purpose, disclose to that resident:

- (1) The categories of personal information that the business collected about the resident.
- (2) The categories of personal information that the business sold about the resident and the categories of third parties to whom the personal information was sold, by category or categories of personal information for each third party to whom the personal information was sold.
- (3) The categories of personal information that the business disclosed about the resident for a business purpose.

Company does not sell personal information

3. Right to opt out

California residents shall have the right, at any time, to direct a business that sells personal information about the resident to third parties not to sell the resident's personal information.

4. Right to deletion

In some cases, California residents shall have the right to request that a business delete any personal information about the resident which the business has collected from the resident.

5. Right to equal service and price

A business may not discriminate against a California resident because the resident exercised any of the resident's rights, including, but not limited to, by:

(A) Denying goods or services to the consumer.

(B) Charging different prices or rates for goods or services, including through the use of discounts or other benefits or imposing penalties.

(C) Providing a different level or quality of goods or services to the resident, if the resident exercises the consumer's rights under this title.

(D) Suggesting that the resident will receive a different price or rate for goods or services or a different level or quality of goods or services.

How to request your information

To request the personal information in Company's possession please contact Company via either <https://www.wealthforge.com/contactus> or 866.603.4082.

To request what personal information Company has disclosed to a third party please contact Company via either <https://www.wealthforge.com/contactus> or 866.603.4082.

To request your personal information be deleted email the following address admin@wealthforge.com or call 866.603.4082.

Categories of Personal Information Company collects

Section 3 above details the categories of personal information Company collects from investors or their financial professional.

Categories of Personal Information Company has sold in the past twelve (12) months.

Company acts solely as a service provider and does not sell personal information.

Categories of Personal Information Company has disclosed in the past twelve (12) months

Section 4 above details how Company uses your personal information. Information provided by you in the investment documents may also be shared with the issuer of the offering in which you have expressed an interest, third-party intermediaries providing services for that issuer, as well as other companies providing services in connection with the offering, such as, escrow agents and banks, credential-checking services, the issuer's special purpose vehicle(s) for that offering, and other financial intermediaries. In each case, disclosure is subject to applicable privacy law and is limited to the extent the third party needs the information.

Company has disclosed the following types of personal information to third-parties in the past twelve (12) months:

- To issuers of securities: name, date of birth, accreditation status, SSN, bank account information, suitability information (including income or net worth estimates).
- To broker-dealers or advisors: name, date of birth, accreditation status, SSN, bank account information, suitability information (including income or net worth estimates) of their subscribers.
- To regulators: name, date of birth, accreditation status, SSN, bank account information, suitability information (including income or net worth estimates).
- To third-party service providers: name, date of birth, SSN, bank account information.

Any information provided to Company will be used for the purpose of completing the transaction.

In addition, if you are a California resident, California Civil Code Section 1798.83 permits you to request information regarding the disclosure of your personal information by the Company to its affiliates and/or third parties for their direct marketing purposes.

To make such a request, please send an email with your first name, last name, mailing address, email address, and telephone number to admin@wealthforge.com. Please include "California Privacy Rights" in the subject line of your email. You may also make such a request by writing to us at the address set forth in the Contacting Us section.

Nevada Residents

Nevada law requires us to disclose that you may elect to be placed on our internal do-not-call list by calling us at 804-308-0431. For further information, contact the Nevada Attorney General's office at 555 E. Washington Ave., Suite 3900, Las Vegas, NV 89101; by phone at 702-486-3132; or by email at BCPINFO@ag.state.nv.us.

8. Notice to European Union Members

Data subjects in the European Union have the following principal rights under data protection law:

1. the right to withdraw consent;
2. the right to access;
3. the right to rectification;
4. the right to erasure;
5. the right to restrict processing;
6. the right to data portability;
7. the right to object to processing;
8. the right not to be subject to decisions made solely on automated processing; and
9. the right to complain to a supervisory authority.

To limit our collection, storage, or sharing please contact our Data Protection Officer, Chris Rohde, as provided below.

9. Contacting Us

If you have questions regarding our Privacy Statement, its implementation, or failure to adhere to this Privacy Statement and/or our general practices, please contact us at: admin@wealthforge.com or send your comments to:

WealthForge Attention: Privacy Statement Representative and Data Protection Officer
3015 W. Moore St., Suite 102
Richmond, VA 23230

**SUPPLEMENT TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
OF
VERSITY INVESTMENTS INCOME FUND II, LLC**

Dated: April 29, 2022

This Second Supplement (together with all exhibits hereto, this “**Supplement**”) updates, through the date hereof, the information previously provided in the Confidential Private Placement Memorandum dated November 18, 2021 (together with all exhibits thereto, the “**Original Memorandum**”), and the Supplement to Confidential Private Placement Memorandum dated December 6, 2021 (the “**First Supplement**”), which describe the offering of unsecured notes (the “**Notes**”) issued by Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “**Fund**”). The Original Memorandum, First Supplement and this Supplement are collectively referred to herein as the “**Memorandum**.” The Offering of the Notes is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Original Memorandum and First Supplement.

This Supplement is being furnished for your information on a confidential basis so that you may consider your investment in the Notes. This Supplement is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

As set forth in the Original Memorandum, following receipt of this Supplement if an Investor determines, in his, her or its discretion, that the supplemental information contained herein is unacceptable, then the Investor will be entitled to terminate his, her or its agreement to acquire the Notes.

The Notes offered by the Memorandum have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the entity issuing the Notes and the terms of the Offering, including the merits and risks involved.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

The Original Memorandum is hereby modified and supplemented as follows:

ADDITIONAL BORROWER AND GUARANTOR

Versity Invest, LLC, a Delaware limited liability company (“**Versity Invest**”) was formed in March 2022 by members of the Sponsor’s management team to act as a sponsor in acquiring and operating multi-family and student-housing real estate investments. Versity Invest was established as the entity that will syndicate all future DST, LLC and REIT offerings. The addition of Versity Invest as a borrower and guarantor takes the place of the syndication revenue that was previously generated by Versity Investments. Versity Invest will operate under a shared services agreement with Versity Investments, ensuring that all existing employees will share time between the two companies.

The Sponsor views this addition as a positive in terms of credit quality and source of repayment. In addition to the syndication revenue to be generated by Versity Invest, a primary source of repayment of the Notes will continue to be revenue from the disposition of Versity Investments legacy syndications. This includes approximately \$1BN of student housing assets and \$230MM of conventional multi-family assets (acquisition value). At the time of this supplement, Versity Investment is under contract for the disposition of two student properties at the University of Oregon which are anticipated to close within a week, and one at the University of Northern Arizona which is

anticipated to close within approximately two weeks (May 11, 2022). Negotiations are underway for the disposition of five additional properties which are anticipated to close over the next few months.

In addition to disposition revenue, Versity Investments and Versity Invest will use syndication revenue from the anticipated Versity REIT to repay investors. Versity Invest is undergoing a corporate audit and brings with it the acquisition, property management, asset management and accounting expertise of Versity Investments without the legacy entanglements attributed to the separation of Brian Nelson and his previous business partner Patrick Nelson.

The Sponsor and Versity Invest anticipate that syndication revenue will be significantly improved by making this change. Versity Invest has already recently closed the acquisition of a ~\$140MM multi-family property in Orlando, FL (financed by Freddie Mac) and is currently scheduled to close on its first student housing property at the University of Alabama within the week. Lending commitments for the Florida purchase were in place prior to the change and were transferred without incident to the new entity. In total, Versity Invest has recently closed and is currently under contract to close within the next two quarters over \$320MM in student and conventional multi-family properties. Versity Investments and Versity Invest have closed over \$71MM in equity year-to-date and are on pace to exceed their 2022 target of \$300MM in new equity raised.

Versity REIT, the third revenue channel supporting repayment of the Notes, has been similarly improved by making this change. Versity Invest and its legal and financial advisors anticipate the successful launch of Versity REIT on June 1, 2022.

Blake Wettengel and Tanya Muro, the co-founders and owners of Versity Invest, were co-founders of the Sponsor and will serve as officers of both the Sponsor and Versity Invest. All other members of the Sponsor's management team will also be part of the management team of Versity Invest. Although Brian Nelson will remain active in his current capacities with Versity Investments, LLC, the Sponsor and Manager of the Fund, he will not be involved in the ownership or management of Versity Invest.

Versity Invest will execute a guaranty for the benefit of the Fund in the form attached hereto as Exhibit A. The guaranty will guarantee payment of the monthly interest as well as the repayment of principal when due at the end of the term of the Notes. The guaranty will be limited to the claims paying ability of Versity Invest.

USE OF FUNDS

Capital from the Fund will continue to be used to make loans to the Sponsor, and the Sponsor may use such capital to make loans to Versity Invest. Capital from the Fund may also be used to repay outstanding Notes pursuant to the rescission offer set forth below. Capital from the Fund will be loaned by the Sponsor to Versity Invest solely for the purpose of funding the purchase of property and due diligence and pre-development work for new projects. Capital used to fund the purchase of property and due diligence and pre-development work for new projects may be paid to the Sponsor, Versity Invest or their affiliates to cover associated fees and costs.

SALE OF 10% NOTES

Notes purchased prior to June 1, 2022 will bear interest at a rate of 10% per annum, paid monthly.

RECISSION OFFER

If the supplemental information contained herein is acceptable to you, no further action is required. If unacceptable to you, you are entitled to rescind your purchase of Notes and, in order to do so, please contact Investor Relations at subscriptions@VersityInvest.com no later than May 1, 2022 (the "Expiration Date"). All acceptances of this rescission offer will be effective on the date received by the Fund. Rescission requests must be received on or before the Expiration Date. Your right to accept the rescission offer will terminate on the Expiration Date. If you do not accept the rescission offer as instructed above, you will be deemed to have rejected the offer. The Fund will have ninety (90) days following receipt of a rescission notice to refund the purchase price, during which time interest on the Note will continue to be paid.

EXHIBIT A

[FORM OF] GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (the “**Guaranty**”) is executed as of _____, 2022, by Versity Invest, LLC, a Delaware limited liability company, having an address at 20 Enterprise, Suite 400, Aliso Viejo, California 92656 (“**Guarantor**”), for the benefit of the holders (“**Note Holders**”) of those certain 24-month, 9% notes (notes purchased prior to June 1, 2022 will bear interest at 10% per annum) (Notes purchased after March 15, 2023 will bear interest at a rate of 13% per annum) issued by Versity Investments Income Fund II, LLC, a Delaware limited liability company (“**Borrower**”).

W I T N E S S E T H:

WHEREAS, pursuant to those certain note purchase agreements executed by Borrower (collectively, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time, the “**Notes**”), Borrower has become indebted, and may from time to time be further indebted, to Note Holders.

NOW, THEREFORE, as an inducement to Note Holders to purchase the Notes, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I

NATURE AND SCOPE OF GUARANTY

1.1 **Guaranty of Obligation.** Guarantor hereby irrevocably guarantees to Note Holders the payment and performance of the Guaranteed Obligations as and when the same shall be due and payable, whether by lapse of time, by acceleration of maturity or otherwise. Guarantor hereby covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor. All such guarantees are subject to the claims paying ability of the Guarantor at the time of any such claim.

1.2 **Definition of Guaranteed Obligations.** As used herein, the term “Guaranteed Obligations” means all obligations and liabilities of Borrower as set forth in the Notes.

1.3 **Nature of Guaranty.** This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of Guarantor to Note Holders with respect to the Guaranteed Obligations.

1.4 **Payment By Guarantor.** If all or any part of the Guaranteed Obligations shall not be punctually paid when due, whether at demand, maturity, acceleration or otherwise, Guarantor shall, immediately upon demand by Note Holders, pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to the Note Holders at the Note Holders’ addresses as set forth in the Notes.

1.5 **Waivers.** Guarantor agrees to the provisions of the Notes, and hereby waives notice of, and any rights of consent to: (a) any loans or advances made by the Note Holders to Borrower, (b) acceptance of this Guaranty, (c) any amendment or extension of the Notes, (d) the execution and delivery by Borrower and the Note Holders of any other loan or credit agreement or of Borrower’s execution and delivery of any other documents arising under the Notes, and (e) the occurrence of any breach by Borrower.

1.6 **Effect of Bankruptcy.** In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, the Note Holders must rescind or restore any payment, or any part thereof, received by the Note Holders in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by the Note Holders shall be without effect, and this Guaranty shall remain in full force and effect.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTOR'S OBLIGATIONS

Guarantor hereby consents and agrees to each of the following, and agrees that Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any common law, equitable, statutory or other rights (including without limitation rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:

2.1 **Modifications.** Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations or the Notes.

2.2 **Adjustment.** Any adjustment, indulgence, forbearance or compromise that might be granted or given by the Note Holders to Borrower.

2.3 **Condition of Borrower or Guarantor.** The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, Guarantor or any other party at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Borrower or Guarantor, or any sale, lease or transfer of any or all of the assets of Borrower or Guarantor, or any changes in the shareholders, partners or members of Borrower or Guarantor; or any reorganization of Borrower or Guarantor.

2.4 **Release of Obligors.** Any full or partial release of the liability of Borrower on the Guaranteed Obligations, or any part thereof.

2.5 **Merger.** The reorganization, merger or consolidation of Borrower into or with any other corporation or entity.

2.6 **Preference.** Any payment by Borrower to the Note Holders is held to constitute a preference under bankruptcy laws, or for any reason the Note Holders are required to refund such payment or pay such amount to Borrower or someone else.

ARTICLE III

MISCELLANEOUS

3.1 **Notices.** All notices, requests and other communications provided for herein shall be in writing and shall be deemed to have been given for all purposes (i) three (3) days after having been sent by United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed to the Guarantor at its address as stated below or to the Noteholders at the respective addresses set forth in the Notes, or (ii) one (1) day after having been sent by Federal Express, United Parcel or other nationally recognized air courier service.

Guarantor: Versity Invest, LLC
20 Enterprise, Suite 400
Aliso Viejo, California 92656
Attention: Legal Department

3.2 **Governing Law.** This Guaranty shall be governed, construed, applied and enforced in accordance with the laws of the State of California and the applicable laws of the United States of America.

[NO FURTHER TEXT ON THIS PAGE]

EXECUTED as of the day and year first above written.

GUARANTOR:

Versity Invest, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: Authorized Signatory

**SUPPLEMENT TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
OF
VERSITY INVESTMENTS INCOME FUND II, LLC**

Dated: December 6, 2021

This Supplement (together with all exhibits hereto, this “**Supplement**”) updates, through the date hereof, the information previously provided in the Confidential Private Placement Memorandum dated November 18, 2021 (together with all exhibits thereto, the “**Original Memorandum**”) which describes the offering of unsecured notes (the “**Notes**”) issued by Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “**Fund**”). The Original Memorandum and this Supplement are collectively referred to herein as the “**Memorandum**.” The Offering of the Notes is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Original Memorandum.

This Supplement is being furnished for your information on a confidential basis so that you may consider your investment in the Notes. This Supplement is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

As set forth in the Original Memorandum, following receipt of this Supplement if an Investor determines, in his, her or its discretion, that the supplemental information contained herein is unacceptable, then the Investor will be entitled to terminate his, her or its agreement to acquire the Notes.

The Notes offered by the Memorandum have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the entity issuing the Notes and the terms of the Offering, including the merits and risks involved.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

The Original Memorandum is hereby modified and supplemented as follows:

CHANGE TO FORM OF OWNERSHIP

The Fund will issue paper certificates evidencing the Notes. The form of Note to be issued by the Fund is attached hereto as **Exhibit A**.

AMENDMENT OF LIMITED LIABILITY COMPANY AGREEMENT

Section 18 of the Limited Liability Company Agreement of the Fund has been revised to clarify and confirm that the exculpation and indemnification provisions of such agreement do not apply in respect of any loss, damage or claim incurred by reason of fraud, breach of fiduciary duty or bad faith. The form of Amended and Restated LLC Agreement is attached hereto as **Exhibit B**.

EXHIBIT A

FORM OF UNSECURED 24-MONTH NOTE

US\$ _____
Issue Date: _____, 202__

VERSITY INVESTMENTS INCOME FUND II, LLC 24-MONTH NOTE

THIS UNSECURED 24-MONTH NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE TRANSFERRED OR SOLD IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OR OTHER COMPLIANCE UNDER THE ACT OR THE LAWS OF THE APPLICABLE STATE OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER, AND ITS COUNSEL, TO THE EFFECT THAT THE SALE OR TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE ACT AND SUCH STATE STATUTES.

FOR VALUE RECEIVED, Versity Investments Income Fund II, LLC, a Delaware limited liability company (the "Fund") promises to pay to [PURCHASER] or its permitted registered assigns (the "Holder") on the Maturity Date, the principal sum of \$[NOTE AMOUNT IN DOLLARS] (as reduced by any prepayments of principal, the "Principal Amount"), plus accrued but unpaid interest on the Principal Amount. The "Maturity Date" of this unsecured 24-Month Note (this "Note") is the date that is twenty-four months following the Issue Date first set forth above.

1. Interest. Interest shall accrue from the Issue Date upon the Principal Amount at the rate of [nine/ten] percent ([9%/10% / 13%]) per annum based upon a 365-day year. Accrued but unpaid interest for each calendar month shall be due and payable by the Fund on the fifteenth (15th) day of the following month; provided, that if such due date is not a business day, then the interest shall be due and payable on the next business day.

2. Principal Amount. The Fund will pay the Principal Amount, and any accrued but unpaid interest thereon, on the Maturity Date. All or any portion of this Note may be prepaid without penalty. Prepayments shall be applied first to accrued but unpaid interest and second to the Principal Amount.

3. Method of Payment. The Principal Amount of, and accrued interest under, this Note is payable in United States dollars at the address of the Holder appearing on the signature page hereof, as the same may be updated by the Holder by written notice from time to time. Payments may be made by check to the address of the Holder or by wire transfer to an account designated by the Holder.

4. Waiver of Demand and Presentment. The Fund hereby expressly waives demand and presentment for payment, notice of nonpayment, protest, notice of dishonor, notice of acceleration or intent to accelerate, bringing of suit and diligence in taking any action to collect amounts called for hereunder and shall be directly and primarily liable for the payment of all sums owing and to be owing hereon, regardless of and without notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder.

5. Payment of Costs. If one or more of the "Events of Default" as described in Paragraph 6 shall occur, the Fund agrees to pay all costs and expenses, including reasonable attorney's fees, which may reasonably be incurred by the Holder in collecting amount due under, or enforcing any terms of, this Note.

6. Events of Default. If more than one of the following described "Events of Default" shall occur:

- (a) The Fund shall fail to pay all Principal Amount and accrued but unpaid interest on the Maturity Date; or
- (b) The Fund shall fail to pay accrued but unpaid interest within ten (10) business days of the date due; or
- (c) The Fund shall fail to perform or observe any other covenant, provision, condition,

agreement or obligation of the Fund under this Note and such failure shall continue uncured for a period of thirty (30) days after written notice from the Holder of such failure; or

(d) The Fund shall (1) admit in writing its inability to pay its debts as they mature; (2) make an assignment for the benefit of creditors or commence proceedings for its dissolution; or (3) apply for or consent to the appointment of a trustee, liquidator or receiver for it or for a substantial part of its property or business; or

(e) A trustee, liquidator or receiver shall be appointed for the Fund or for a substantial part of its property or business without its consent and shall not be discharged within thirty (30) days after such appointment; or

(f) Any governmental agency or any court of competent jurisdiction at the instance of any governmental agency shall assume custody or control of the whole or any substantial portion of the properties or assets of the Fund and shall not be dismissed within thirty (30) days thereafter; or

(g) Bankruptcy, reorganization, insolvency or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Fund and if instituted against the Fund, shall not be dismissed, stayed or bonded within sixty (60) days after such institution or the Fund shall by any action or answer approve of, consent to, or acquiesce in any such proceedings or admit the material allegations of, or default in answering a petition filed in any such proceeding;

then, or at any time thereafter, and in each and in every such case, unless such Event of Default shall have been waived in writing by the Holder (which waiver shall not be deemed to be a waiver of any subsequent default), the Holder may consider this Note immediately due or payable, without presentment, demand, protest or notice of any kind, all of which are expressly waived, anything herein or in any Note or other instruments contained to the contrary notwithstanding, and the Holder may immediately demand without expiration of any period of grace, enforce any and all of the Holder's rights and remedies provided herein or any other rights or remedies afforded by law.

7. Transfer Restrictions. The Holder may not transfer, assign, mortgage or encumber all, or any portion, of this Note in the absence of (i) consent of the Fund, which consent may be withheld in the sole and absolute discretion of the Fund, and (ii) either (x) an effective registration or other compliance under the Act or the laws of any applicable state, or (y) an opinion of counsel reasonably satisfactory to the Fund, and its counsel, to the effect that the sale or transfer is exempt from registration under the Act and any applicable state statutes. In addition, the Fund may condition transfers on the receipt of a certificate from the assignee, transferee of mortgagee in a form acceptable to the Fund that contains representations and warranties similar to those of the Holder contained in the Note Purchase Agreement between the Fund and the Holder (the "Purchase Agreement"), and IRS Form W-9 or an equivalent certification under penalty of perjury in compliance with the Internal Revenue Code of 1986, as amended from time to time.

8. Reissuance. Until all amounts due under this Note have been paid in full, upon receipt by the Fund of evidence from the Holder reasonably satisfactory to the Fund of the loss, theft, destruction or mutilation of this Note, (i) in the case of loss, theft or destruction, upon provision of indemnity reasonably satisfactory to the Fund, or (ii) in the case of mutilation, upon surrender and cancellation of this Note, then the Fund will execute and deliver to the Holder a new Note, dated the date of the lost, stolen, destroyed or mutilated Note, and evidencing the outstanding and unpaid Principal Amount of the lost, stolen, destroyed or mutilated Note.

9. Security. This Note shall be unsecured.

10. Partial Invalidity. In the case any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that its enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected impaired thereby.

11. Governing Law. This Note and all matters arising directly or indirectly hereunder shall be governed by and construed in accordance with the laws of the State of California as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, without regard to its principles of conflicts of laws.

12. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail if sent during normal business hours of the recipient, if not, then on the next business day, (c) five days after having been sent by regular mail, postage prepaid, or (d) one business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Fund and the Holder at the respective addresses set forth in the Purchase Agreement.

13. Jurisdiction. The parties (a) hereby irrevocably and unconditionally submit to the sole and exclusive jurisdiction of the state and federal courts located in Orange County in the State of California for the purpose of any suit, action or other proceeding arising out of or based upon this Note or the Note ("Covered Matters"), (b) agree not to commence any suit, action or other proceeding arising out of or based upon any Covered Matters except in the state courts or federal courts located in the State of California, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Note or the subject matter of any Covered Matter may not be enforced in or by such court.

IN WITNESS WHEREOF, the Fund has caused this Note to be duly executed by an officer thereunto duly authorized.

VERSITY INVESTMENTS INCOME FUND II, LLC

By: Versity Investments, LLC,
a Delaware limited liability company,
Its: Sole Member and Manager

By: _____
Name: _____
Title: Authorized Signatory

EXHIBIT B

FORM OF AMENDED AND RESTATED LLC AGREEMENT

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF VERSITY INVESTMENTS INCOME FUND II, LLC

This Amended and Restated Limited Liability Company Agreement (together with the schedules attached hereto, this “**Agreement**”) of Versity Investments Income Fund II, LLC (the “**Company**”), is entered into by Versity Investments, LLC, a Delaware limited liability company, as the sole equity member (the “**Member**”), having an address at 20 Enterprise, Suite 400, Aliso Viejo, California 92656, as of the ____ day of December 2021. Capitalized terms used and not otherwise defined herein have the meanings set forth on Schedule A hereto.

The Member, by execution of this Agreement, hereby forms the Company as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.), as amended from time to time (the “**Act**”), and this Agreement, and the Member hereby agrees as follows:

Section 1. Name. The name of the limited liability company formed hereby is Versity Investments Income Fund II, LLC.

Section 2. Principal Business Office. The principal business office of the Company shall be located at 20 Enterprise, Suite 400, Aliso Viejo, California 92656 or such other location as may hereafter be determined by the Member.

Section 3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o Sorensen Entity Services LLC, 1201 N. Orange Street, Suite 7044, Wilmington, Delaware 19801.

Section 4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware are Sorensen Entity Services LLC, 1201 N. Orange Street, Suite 7044, Wilmington, Delaware 19801.

Section 5. Members.

(a) The Member was admitted to the Company as a member of the Company upon its execution of a counterpart signature page to this Agreement.

(b) The Member may act by written consent.

Section 6. Certificates. Chris Sorensen is hereby designated as an “authorized person” within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, his powers as an “authorized person” ceased, and the Member thereupon became the designated “authorized person” and shall continue as the designated “authorized person” within the meaning of the Act. The Member shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business. The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purpose. The purpose to be conducted or promoted by the Company is to engage in the following activities:

(a) to issue notes and other forms of debt to investors and to lend the proceeds to the Member; and

(b) to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purposes.

Section 8. Powers. The Company, and the Member on behalf of the Company, (i) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (ii) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 9. Management.

(a) The business and affairs of the Company shall be managed by or under the direction of the Member.

(b) The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. Subject to Section 7 and this Section 9, the Member has the authority to bind the Company.

(c) To the extent of its powers set forth in this Agreement, the Member is an agent of the Company for the purpose of the Company's business, and the actions of the Member taken in accordance with such powers set forth in this Agreement shall bind the Company.

(d) The Member reserves the right to amend, alter, change or repeal any provisions contained in this Agreement in accordance with Section 29.

(e) The failure of the Company, or the Member on behalf of the Company, to comply with any of the provisions of this Section 9 or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member.

Section 10. Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member of the Company.

Section 11. Capital Contributions. The Member has made an initial contribution to the Company, as reflected in the books and records of the Company. The Member may loan funds to the Company.

Section 12. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time upon the written consent of such Member. The provisions of this Agreement, including this Section 12, are intended to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company (other than a Covered Person) (and no such creditor of the Company shall be a third-party beneficiary of this Agreement). The Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 13. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

Section 14. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to the Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law.

Section 15. Books and Records. The Member shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The Member and its duly authorized representatives shall have the right to examine the Company books, records and documents during normal business hours. The

Company's books of account shall be kept using the method of accounting determined by the Member. The Company's independent auditor, if any, shall be an independent public accounting firm selected by the Member.

Section 16. Tax Treatment. Pursuant to Treasury Regulation § 301.7701-3(b)(ii), the Company will be disregarded as an entity separate from the Member for federal income tax purposes.

Section 17. Other Business. Notwithstanding any duty otherwise existing at law or in equity, the Member and any affiliate of the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

Section 18. Exculpation and Indemnification.

(a) To the fullest extent permitted by applicable law, neither the Member nor any officer, director, employee, agent or affiliate of the Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who is bound by this Agreement for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence, willful misconduct, fraud, breach of fiduciary duty or bad faith.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence, willful misconduct, fraud, breach of fiduciary duty or bad faith with respect to such acts or omissions; provided, however, that any indemnity under this Section 18 by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have any personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including reasonable legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 18.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person to the Company or its members otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Covered Person.

(f) The foregoing provisions of this Section 18 shall survive any termination of this Agreement.

Section 19. Assignments. The Member may assign in whole or in part its limited liability company interest in the Company. Subject to Section 21, the transferee of a limited liability company interest in the Company shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. If the Member transfers all of its limited liability company interest in the

Company pursuant to this Section 19, such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company.

Section 20. Resignation. If the Member resigns, an additional member of the Company shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Member shall cease to be a member of the Company.

Section 21. Admission of Additional Members. One or more additional Members of the Company may be admitted to the Company with the written consent of the Member.

Section 22. Dissolution.

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company (other than upon continuation of the Company without dissolution upon (i) an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 19 and 21, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 20 and 21), to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of such member in the Company.

(b) Notwithstanding any other provision of this Agreement, no bankruptcy action with respect to the Member shall cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

Section 23. Waiver of Partition; Nature of Interest. The Member shall not have any interest in any specific assets of the Company, and the Member shall not have the status of a creditor with respect to any distribution pursuant to Section 14 hereof. The interest of the Member in the Company is personal property.

Section 24. Benefits of Agreement; No Third-Party Rights. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of the Member. Nothing in this Agreement shall be deemed to create any right in any Person (other than Covered Persons) not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person (other than Covered Persons).

Section 25. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under

any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 26. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 27. Binding Agreement. Notwithstanding any other provision of this Agreement, the Member agrees that this Agreement constitutes a legal, valid and binding agreement of the Member, and is enforceable against the Member in accordance with its terms.

Section 28. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 29. Amendments. This Agreement may be modified, altered, supplemented or amended pursuant to a written agreement executed and delivered by the Member.

Section 30. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

Section 31. Notices. Any notices required to be delivered hereunder shall be in writing and personally delivered, mailed or sent by telecopy, electronic mail or other similar form of rapid transmission.

Section 32. Effectiveness. Pursuant to Section 18-201(d) of the Act, this Agreement shall be effective as of the time of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the day and year first written above.

MEMBER:

VERSITY INVESTMENTS, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

SCHEDULE A

Definitions

A. Definitions

When used in this Agreement, the following terms not otherwise defined herein have the following meanings:

“Act” has the meaning set forth in the preamble to this Agreement.

“Agreement” means this Amended and Restated Limited Liability Company Agreement of the Company, together with the schedules attached hereto, as amended, restated or supplemented or otherwise modified from time to time.

“Certificate of Formation” means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on September 7, 2021, as amended or amended and restated from time to time.

“Company” means Versity Investments Income Fund II, LLC, a Delaware limited liability company.

“Covered Persons” has the meaning set forth in Section 18(a).

“Member” means Versity Investments, LLC, a Delaware limited liability company, as the initial member of the Company, and includes any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

B. Rules of Construction

Definitions in this Agreement apply equally to both the singular and plural forms of the defined terms. The words “include” and “including” shall be deemed to be followed by the phrase “without limitation.” The terms “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section, paragraph or subdivision. The Section titles appear as a matter of convenience only and shall not affect the interpretation of this Agreement. All Section, paragraph, clause, Exhibit or Schedule references not attributed to a particular document shall be references to such parts of this Agreement.

Confidential Private Placement Memorandum

\$15,000,000

24-Month 9% /10% / 13% Notes Issued By

VERSITY INVESTMENTS INCOME FUND II, LLC

November 18, 2021

\$15,000,000

24-Month 9% / 10% / 13% Notes Issued By

VERSITY INVESTMENTS INCOME FUND II, LLC

This confidential Private Placement Memorandum (this “**Memorandum**”) is being furnished to certain qualified, accredited investors (“**Investors**”) in connection with their evaluation of an offering (the “**Offering**”) of unsecured notes issues by Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “**Fund**”), an aggregate principal amount of up to \$15,000,000, subject to an increase to up to \$20,000,000 in aggregate principal amount (the “**Notes**”). The Fund will be wholly-owned by Versity Investments, LLC, a Delaware limited liability company (the “**Sponsor**” or the “**Manager**”), the Sponsor of the Offering. The Fund will loan the proceeds to the Sponsor and its affiliates to fund the purchase of property, fund due diligence and pre-development work for new projects, to pay debt and other expenses of the Sponsor and its affiliates and to fund an interest reserve to pay holders of the Notes (the “**Noteholders**”).

The Notes will be offered in increments of \$50,000 in principal with a minimum purchase of \$50,000. However, the Fund reserves the right, in the Manager’s sole discretion, to accept smaller subscriptions. The Offering is being made for the purpose of capitalizing the Fund with an amount sufficient to fund the loans to the Sponsor and its affiliates and to pay certain costs and compensation, as described herein. The Notes will be for 24-month terms and have an interest rate of 9% per annum, paid monthly (Notes purchased prior to January 18, 2022 will bear interest at a rate of 10% per annum, paid monthly). (Notes purchased after March 15, 2023 will bear interest at a rate of 13% per annum) Unless terminated earlier by the Manager in its sole discretion, the Offering will terminate upon the first to occur of (i) the sale of the maximum offering amount of aggregate principal of \$15,000,000, subject to increase to \$20,000,000 in the sole discretion of the Manager (the “**Maximum Offering Amount**”), or (ii) November 15, 2022, which date may be extended for six months in the sole discretion of the Manager (the “**Offering Termination Date**”).

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (“**SEC**”) or the securities regulatory authority of any state, nor has the SEC or any securities regulatory authority of any state passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

This Offering is being made in reliance on Rule 506(b) of Regulation D promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”). The Notes offered hereby have not been registered under the Securities Act or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of an investment in the Notes for an indefinite period of time.

An investment in the Notes is highly speculative and involves substantial risk. Each prospective Investor must rely on his, her or its own examination of the Fund, the Notes and the Manager and must read and carefully consider the risks described in this Memorandum, including those in the section titled “**Risk Factors**”.

The date of this Memorandum is November 18, 2021

	Price to Investors	Selling Commissions and Expenses ⁽¹⁾	Proceeds to Fund
Per Note ⁽²⁾	\$ 50,000	\$ 4,875	\$ 45,125
Maximum Offering Amount	\$15,000,000	\$1,462,500	\$13,537,500

- (1) Emerson Equity LLC (“**Emerson**”) serves as managing broker-dealer for the Offering (the “**Managing Broker-Dealer**”) and will receive selling commissions (the “**Selling Commissions**”) of up to 6.00% of the gross Offering proceeds and a dealer fee (the “**Dealer Fee**”) for coordinating the marketing of the Notes with any participating broker/dealers as well as for non-itemized, non-invoiced due diligence efforts in an amount equal to 1.00% of the gross Offering proceeds. Selling Commissions will either be paid to affiliates of Emerson, including employees and contractors of the Sponsor, or re-allowed to broker/dealers (the “**Selling Group**”) who are members of the Financial Industry Regulatory Authority (“**FINRA**”). The Dealer Fee will either be retained by Emerson or re-allowed to the Selling Group. The Fund will also pay a fee to Emerson equal to 2.00% of the gross Offering proceeds for serving as the Managing Broker-Dealer (the “**Managing Broker-Dealer Fee**”) (1.25% of which is designated as wholesaling fees and will be paid to employees and contractors of the Sponsor or other affiliates of Emerson or which may be re-allowed to the Selling Group). The Fund will also reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses (the “**O&O Expenses**”) in an amount equal to approximately 0.75% of the gross Offering proceeds. The Selling Commissions, the Dealer Fee, the Managing Broker-Dealer Fee, and the O&O Expenses, as well as any other costs of the Offering, will be paid by the Fund out of the gross Offering proceeds. See “*Estimated Use of Proceeds*” and “*Plan of Distribution*.” The Fund reserves the right to pay reduced commissions and fees or to waive such sums with respect to Notes acquired by certain affiliates and other persons.
- (2) The minimum purchase of Notes is \$50,000 of aggregate principal. The Fund reserves the right, in the Manager’s sole discretion, to waive the minimum purchase requirement.

POTENTIAL INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING

Each prospective Investor should consult with his, her, or its own tax advisor regarding an investment in the Notes. An investment in the Notes involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity from their investment and can afford to lose their entire investment. The risks involved with an investment in the Notes include, but are not limited to:

- The impact of the COVID-19 pandemic.
- The Fund will not have any investments, other than loans made to the Sponsor and its affiliates.
- The Fund has been recently organized and does not have any operating history or financial resources; the Fund does not and will not have any significant assets other than loans made to the Sponsor and its affiliates.
- Investors will not have the opportunity to evaluate or approve the use of proceeds or the investments made by the Manager using the proceeds.
- The Guaranty is limited to the claims paying ability of the Sponsor.
- Investors will rely solely on the Manager to manage the Fund and its loans. The Manager will have broad discretion to lend the Fund's capital and make decisions regarding such loans.
- The Notes will be highly illiquid; transferability of the Notes is restricted.
- Substantial actual and potential conflicts of interest exist among the Fund and the Manager and its affiliates.
- An Investor could lose all or a substantial portion of his, her or its investment in the Fund.
- There is no public market for the Notes.
- The Notes are not registered with the Securities and Exchange Commission (the "SEC") or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Fund is not providing any prospective Investor with separate legal, accounting or business advice or representation.

Investors must read and carefully consider the discussion set forth below in the section captioned "*Risk Factors*," beginning on page 6 of this Memorandum.

The Notes have not been, and will not be, registered under the Securities Act or any state securities laws. The Notes will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(b) of Regulation D, and in compliance with any applicable state securities laws. The Notes will not be offered or sold in any state in which such offers or sales are not qualified or otherwise exempt from registration. The Fund reserves the right to reject any offer to purchase the Notes. In addition, the Fund reserves the right to cancel any sale at any time prior to the receipt of funds for purchase, if that sale, in the opinion of the Fund and its counsel, may violate any federal or state securities law or regulation or is otherwise objectionable for whatever reason. The Fund will be subject to restrictions on transferability and resale and Investors will not be able to transfer or resell Notes or any beneficial interest therein unless the Notes are registered pursuant to or exempted from such registration requirements. Investors must be prepared to bear the economic risk of an investment in the Notes for an indefinite period of time and be able to withstand a total loss of their investment.

Neither the Fund, the Sponsor, nor any of their respective affiliates has authorized any person to make any representations or furnish any information with respect to the Notes, other than as set forth in this Memorandum or other documents or information the Fund or the Sponsor may furnish to Investors. Investors are encouraged to ask the Fund or the Sponsor questions concerning the terms and conditions of this Offering and the Notes.

The Sponsor has prepared this Memorandum solely for the benefit of persons interested in acquiring Notes. The recipient of this Memorandum agrees to keep the contents of this Memorandum confidential and not to duplicate or furnish copies of this Memorandum to any person other than such recipient's advisors, and further agrees promptly to return this Memorandum to the Fund at the address below if:

(1) the recipient decides not to purchase the Notes; (2) the recipient's purchase offer is rejected; or (3) the Offering is terminated prior to a purchase by the recipient.

By accepting delivery of this Memorandum, prospective Investors recognize and accept the need to conduct their own thorough investigation, including consulting their own legal and tax advisors, and to exercise their own due diligence before considering an investment in the Notes. In making an investment decision, Investors must rely on their own examination of the Fund, the Manager and the terms of the Offering, including the merits and risks involved. Prospective Investors are not to construe the contents of this Memorandum as investment, tax or legal advice. This Memorandum and related documents, as well as the nature of the loans proposed to be made by the Fund as described herein, should be reviewed by each prospective Investor's investment advisor, accountant and legal counsel.

The Fund will not be registered as an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, Investors who acquire Notes will not be entitled to the protections afforded by the Investment Company Act.

The Manager will not be registered as an "investment adviser" (an "Investment Advisor") under the Investment Adviser Act of 1940, as amended (the "Investment Advisers Act"). However, the Manager may, in its discretion, elect to enter into an advisory agreement with an affiliated registered Investment Advisor who will advise the Manager and the Fund. Accordingly, Investors who acquire Notes will not be entitled to the protections afforded by the Investment Advisers Act unless and until the Manager and the Fund retain a registered Investment Advisor.

Unless otherwise stated herein, statements in this Memorandum are made as of the date set forth on the cover page hereof, and neither the delivery of this Memorandum at any time, nor any sale of Notes hereunder, shall under any circumstances create an implication that the information contained herein is correct as of any time subsequent to the date set forth on the cover page.

Offering literature in any form whatsoever employed in connection with the Offering is subject to, and is superseded by, this Memorandum (including any exhibits, amendments and supplements hereto). In the event of any conflict or perceived conflict between this Memorandum and any other offering literature, this Memorandum will control. This Memorandum shall be deemed to be amended or supplemented only if the Sponsor distributes to prospective investors a document that specifically refers to this Memorandum and states that such document constitutes an amendment or supplement hereto.

To subscribe for Notes issued by the Fund, each Investor will be required to execute and agree to be bound by the terms of the Note Purchase Agreement. The description of the Note Purchase Agreement contained herein does not purport to be complete, and is qualified by, and subject to, the provisions of such document, which should be reviewed in its entirety by prospective Investors and their advisors.

The mailing address of the Fund is Versity Investments Income Fund II, LLC, c/o Versity Investments, 20 Enterprise, Suite 400, Aliso Viejo, California 92656, Attn: Investor Relations, email: subscriptions@VersityInvest.com.

NOTICE TO ALL INVESTORS REGARDING SERVICES AND DUTIES OF THE MANAGER

The Manager will provide various services to the Fund and will owe certain duties to the Fund. Such services and duties will be provided to, and are owed to, the Fund and not to Investors directly.

The Fund's operating agreement has been written to eliminate fiduciary duties that the Manager may owe to the Fund or to the Noteholders. Under Delaware law governing limited liability companies, the Manager also has a duty of good faith and fair dealing. This duty requires the Manager to act in good faith and to act fairly when exercising its rights and performing its duties under the operating agreement, and prevents the Manager from acting arbitrarily or unreasonably. However, because the Manager does not owe fiduciary duties to the Fund or to the Noteholders, the contractual obligations imposed upon the Manager by the operating agreement comprise all of the duties and responsibilities of the Manager.

A WARNING ABOUT FORWARD-LOOKING STATEMENTS

This Memorandum includes certain statements and estimates with respect to possible future events (***“forward-looking statements”***), which can be identified by the use of forward-looking terminology such as “may,” “will,” “seek,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue” or “believe” or the negatives thereof or other variations thereon or comparable terminology. No representations or warranties (express or implied) are made by the Spnosor, the Fund or any of its affiliates as to the accuracy of such forward-looking statements. Statements as to prior investment performance, if any, contained in this Memorandum are not guarantees or expectations as to future performance, and there can be no assurance that the Fund will pay interest on or repay the Notes. All forward-looking statements are subject to significant risks and uncertainties, and actual results could differ materially from such forward-looking statements depending on the outcome of certain factors, including without limitation those discussed under “Risk Factors.” Investors are cautioned not to place undue reliance on forward-looking statements, which are made as of the date set forth on the cover page hereof. The Sponsor undertakes no obligation to disclose the results of any revisions to any forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

LEGENDS

NOTICE TO INVESTORS IN ALL U.S. STATES

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THIS MEMORANDUM AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

ADDITIONAL NOTICE TO FLORIDA INVESTORS

IF SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, AND YOU PURCHASE SECURITIES HEREUNDER, THEN YOU MAY VOID SUCH PURCHASE EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY YOU TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THIS PRIVILEGE IS COMMUNICATED TO YOU, WHICHEVER OCCURS LATER.

VERSITY INVESTMENTS INCOME FUND II, LLC

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I. WHO MAY INVEST

The offer and sale of the Notes is being made in reliance on an exemption from the registration requirements of the Securities Act, and the Notes have not been, and will not be, registered under the Securities Act. Accordingly, distribution of this Memorandum has been strictly limited to persons who meet the requirements and make the representations set forth in the Instructions and Note Purchase Agreement, the forms of which are attached hereto as **Exhibit A**. The Fund reserves the right, in its sole discretion, to declare any person ineligible to purchase the Notes and to reject any offer to purchase the Notes. In addition, the Fund reserves the right to cancel any sale at any time prior to acceptance by the Fund, if that sale, in the opinion of the Fund and its counsel, may violate any federal, state or foreign securities laws or regulations or is otherwise objectionable for any reason. The Fund may not be transferred or resold except as permitted under the terms of the Notes, the Securities Act and any applicable state or other securities laws, pursuant to registration or an exemption therefrom. Prospective Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. **The Notes will be sold only to Accredited Investors (as described below).**

II. INVESTOR SUITABILITY REQUIREMENTS

Investment in the Notes involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity and who can afford to lose their entire investment. This investment will be sold only to persons who subscribe for at least a \$50,000 investment and who meet the requirements set forth below. The Fund may permit persons to make a smaller investment.

The Fund will only accept a subscription from an “accredited investor,” as defined in Regulation D under the Securities Act. In addition to certain institutional investors, a person who meets one of the following tests will qualify as an accredited investor:

- Natural person that has an individual net worth, or joint net worth with his or her spouse, of more than \$1,000,000, provided that for purposes of calculating such net worth: (1) the investor’s primary residence will not be included as an asset; (2) indebtedness that is secured by the investor’s primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the investor’s acquisition of an Interest, will not be included as a liability; *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the investor’s acquisition of an Interest exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the investor takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness will be included as a liability; and (3) indebtedness that is secured by the investor’s primary residence in excess of the estimated fair market value of the primary residence will be included as a liability;
- Natural person that has an individual income in excess of \$200,000, or joint income with his or her spouse in excess of \$300,000, in each of the two most recent years and has a reasonable expectation of reaching the same income level in the current year;
- Natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status; or
- If not a natural person, one of the following:
 - Corporation, Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring the Notes, with total assets in excess of \$5,000,000;
 - Trust, with total assets over \$5,000,000, not formed for the specific purpose of acquiring the Notes and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he, she or it is capable of evaluating the merits and risks of an investment in an Interest;

- Broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended;
- Investment company registered under the Investment Company Act or a “business development company” (as defined in Section 2(a)(48) of the Investment Company Act);
- Small business investment company licensed by the Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended;
- “Private business development company” (as defined in Section 202(a)(22) of the Advisers Act);
- Rural Business Investment Company as defined in Section 384A of the Consolidated Farm and Rural Development Act;
- Bank as defined in Section 3(a)(2) of the Securities Act, any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity, or any insurance company as defined in Section 2(13) of the Securities Act;
- Investment adviser registered pursuant to Section 203 of the Investment Advisers Act or registered pursuant to the laws of a state or an investment adviser relying on the exemption from registering with the SEC under Section 203(l) or (m) of the Investment Advisers Act;
- One of the following (a) a family office, as defined in Rule 202(a)(11)(G)-1 of the Investment Advisers Act, with assets under management in excess of \$5,000,000, that is not formed for the specific purpose of acquiring an Interest, and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of an investment in an Interest, or (b) a family client, as defined in Rule 2020(a)(11)(G)-1 of the Investment Advisers Act, of a family office meeting the requirements described in the preceding clause (a) and whose purchase is directed by such family office; or
- Entity in which all of the equity owners are accredited investors as defined in *Investor Suitability Requirements* above.

Each Investor and each subsequent transferee must represent that either:

- (a) The Notes are not being purchased by or on behalf of Benefit Plan Investors (as defined below); or
- (b) The Notes are being purchased by or on behalf of (1) an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), whether or not it is subject to Title I of ERISA, (2) a plan described in Code Section 4975 (including but not limited to an individual retirement account or a Keogh plan), or (3) an entity whose underlying assets include “plan assets” as defined in Department of Labor Regulation Section 2510.3-101 (the “**Plan Asset Rules**”) by reason of a plan’s investment in such entity (including but not limited to an insurance company general account) (all such investors, “**Benefit Plan Investors**”). Additionally, all or part of the assets to be used to purchase the Notes constitute assets of one or more Benefit Plan Investors.

Representations with respect to the foregoing and certain other matters must be made by each investor in the Note Purchase Agreement, the form of which is attached as **Exhibit A** to this Memorandum. The Fund will rely on the accuracy of each person’s or entity’s representations set forth therein and requires evidence, as set forth in the Note Purchase Agreement, that any such person or entity meets the applicable standards at any time prior to the Fund’s acceptance of the Note Purchase Agreement. An investor is obligated to supply the evidence demonstrating its status as an Accredited Investor. The Fund shall reject any investor who fails to supply such evidence.

If you do not meet the requirements described above, do not read further and immediately return this Memorandum to the Fund or the applicable Broker-Dealer. If you do not meet such requirements, this Memorandum does not constitute an offer to sell the Notes to you.

Also, each prospective investor must represent and warrant that:

The investor suitability requirements stated above represent the Fund's minimum suitability requirements for investors. However, satisfaction of these requirements by any person or entity will not necessarily mean that the Notes are a suitable investment for such person or entity, or that the Fund will accept such person or entity as an investor. Furthermore, the Fund, as appropriate, may modify such requirements, and such modification may raise the suitability requirements for investors.

The written representations made by the prospective investors together with the documentary evidence provided will be reviewed to determine the suitability of such person or entity for investment in the Fund. The Fund may refuse an offer to purchase the Notes if the Fund believes that a person or entity does not meet the applicable investor suitability requirements or the Notes otherwise constitute an unsuitable investment for a person or entity for any legal reason.

III. HOW TO PURCHASE

The Notes may only be purchased by Accredited Investors, as described above in "WHO MAY INVEST." Prospective investors who would like to purchase Notes must carefully read the Memorandum Materials. Prospective investors must complete, execute, and deliver to the Fund the Note Purchase Agreement, the form of which is attached as **Exhibit A** to this Memorandum. Upon receipt of the signed Note Purchase Agreement and verification of the prospective investor's investment qualifications, the Fund will decide whether to accept the prospective investor's investment. Upon the Fund's acceptance of a prospective investor for the purchase of Notes, the Fund will so notify the prospective investor.

Upon acceptance of a prospective Investor's Note Purchase Agreement, the Fund will circulate various additional documents to the prospective investor to be signed and returned. Investors whose subscriptions are accepted by the Fund must remit the entire purchase price for their Notes to an account of the Fund that has been, or will be, opened with a bank to be designated by the Fund by wiring such funds or delivering a check for the purchase price not less than five business days before closing the acquisition of such prospective investor's Notes. Unless otherwise directed by the Fund, the documents should be mailed or delivered to the Fund:

Versity Investments Income Fund II, LLC
20 Enterprise, Suite 400
Aliso Viejo, CA 92656
Attn: Investor Relations

IV. SUMMARY OF THE OFFERING

The following summary is intended to provide selected limited information regarding the Fund, the Notes and the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. **Each prospective Investor is urged to read the entire Memorandum before investing in the Fund.**

The Fund:	Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “ <u>Fund</u> ”). The Fund will loan the proceeds from the sale of the Notes to the Sponsor and its affiliates to fund the purchase of property, fund due diligence and pre-development work for new projects, to pay debt and other expenses of the Sponsor and its affiliates and to fund an interest reserve to pay Noteholders. See “ <i>Investment Program</i> .”
Manager:	The Fund is managed by Versity Investments, LLC, a Delaware limited liability company (the “ <u>Manager</u> ”).
Offering:	<p>The Fund is offering the Notes in increments of \$50,000 in principal with a minimum purchase of \$50,000 (the “<u>Offering</u>”). The Fund reserves the right, in the Manager’s sole discretion, to accept smaller subscriptions. The Notes will be for 24-month terms and will have an interest rate of 9% per annum, paid monthly (Notes purchased prior to January 18, 2022 will bear interest at a rate of 10% per annum, paid monthly). Unless terminated earlier by the Manager in its sole discretion, the Offering will terminate upon the first to occur of (i) the sale of Notes in the maximum aggregate principal amount of \$15,000,000, subject to increase to \$20,000,000 in the sole discretion of the Manager (the “<u>Maximum Offering Amount</u>”), or (ii) November 15, 2022, which date may be extended for six months in the sole discretion of the Manager (the “<u>Offering Termination Date</u>”).</p> <p>The purchase price of the Notes includes transaction costs, compensation to the Sponsor and affiliates of the Fund, selling commissions, due diligence allowances, legal fees, offering costs, reserves and related expenses.</p>
Investment Objectives:	The objectives of the Fund will be to generate income to (i) pay required monthly interest payments on the Notes, (ii) to pay the principal balance of the Notes when due, and (iii) to pay the other costs and expenses of the Fund.
Use of Proceeds from the Offering:	The Offering is being made for purposes of (i) raising capital to make loans to the Sponsor and its affiliates, (ii) paying the costs of the Offering. See “ <i>Estimate Use of Proceeds</i> .”
Loans to Sponsor and Affiliates:	The Fund’s only investments will be loans made to the Sponsor and its affiliates to fund the purchase of property, fund due diligence and pre-development work for new projects, to pay debt and other expenses of the Sponsor and its affiliates and to fund an interest reserve to pay Noteholders.
Term of Notes:	The Notes will have terms of 24 months from the date of issuance.
Interest:	The Notes will bear interest at a rate of 9% per annum, paid monthly. Notes purchased prior to January 18, 2022 will bear interest at a rate of 10% per annum, paid monthly. Notes purchased after March 15, 2023 will bear interest at a rate of 13% per annum, paid monthly.
Form of Ownership:	Investors will hold the Notes in “book entry” form and no paper certificates evidencing the Notes will be issued.
Guaranty:	The Sponsor will execute a guaranty for the benefit of the Fund in the form attached hereto as <u>Exhibit B</u> . The guaranty will guarantee payment of the

monthly interest as well as the repayment of principal when due at the end of the term of the Notes. The guaranty is limited to the claims paying ability of the Sponsor.

Selling and Offering Expenses:	The expenses of the offering include (i) commissions and other fees payable to the Selling Group (the “ <u>Selling Commissions</u> ”) of up to 9.00% of the proceeds of the Offering (the “ <u>Offering Proceeds</u> ”), and (ii) reimbursement to Sponsor for legal, syndication, organization and offering costs equal to approximately 0.75% of the Offering Proceeds (the “ <u>O&O Expenses</u> ”). Reimbursements to Sponsor may include reasonable charges for services provided by Sponsor’s internal legal staff and by Sponsor’s staff working on organizational and offering tasks. If the actual O&O Expenses are less than 0.75% of the Offering Proceeds, the difference will be retained by the Sponsor as additional compensation. Certain employees of the Sponsor are registered representatives of the Managing Broker-Dealer and receive commissions in connection with the sale of Notes to Investors for whom such employees are the registered representatives. See “ <i>Plan of Distribution</i> ” and “ <i>Estimated Use of Proceeds</i> .” The Fund reserves the right to pay reduced commissions and fees or to waive such sums with respect to Notes acquired by certain affiliates and other persons.
Restrictions on Transfers and Early Repayment:	The Notes are generally non-transferrable, nor is there a secondary trading market for the Notes. Further, the Fund will not offer any right to receive early repayment.
Financial Statement Audits:	The Fund does not intend to have its financial statements audited.
Investor Suitability Standards:	The Offering is strictly limited to persons who are accredited investors and who meet certain minimum financial requirements as to income and/or net worth, among other requirements. See “ <i>Who May Invest</i> .”
Tax and ERISA Considerations:	Important considerations under the US Internal Revenue Code of 1986, as amended (the “ <u>Code</u> ”) and the US Employee Retirement Income Security Act of 1974, as amended (“ <u>ERISA</u> ”), are described below. See “ <i>Material US Federal Income Tax Considerations</i> ” and “ <i>ERISA</i> .”
Indemnification and Limitation on Liability:	<p>None of the Manager, officers, directors, shareholders, managers, members, managers, or employees of the Manager (collectively, the “<u>Indemnified Parties</u>”), will be liable to the Fund or any holder of Notes for any losses sustained or liabilities incurred as the result of any act or omission if the Indemnified Party acted in good faith and in a manner it reasonably believed to be in, or not opposed to, the best interests of the Fund and if such act or omission did not constitute willful misconduct, fraud, or a material breach of the Fund’s limited liability company agreement.</p> <p>The Fund will indemnify each of its Indemnified Parties against any loss, damage, or expense incurred by it on behalf of or in connection with the affairs of the Fund, except to the extent arising out of its willful misconduct, fraud, or a material breach of the Fund’s limited liability company agreement. The Manager may arrange for the Fund to purchase, at its expense, insurance to insure the Indemnified Parties against liability for any amounts, whether or not the Indemnified Parties would be entitled to receive indemnification in respect thereof.</p>
Sponsor:	Versity Investments, LLC, a Delaware limited liability company, is the sponsor of the Offering (the “ <u>Sponsor</u> ”). Brian Nelson is the sole owner of the Sponsor.

V. RISK FACTORS

Potential Investors should be aware that an investment in the Notes involves a high degree of risk. There can be no assurance that the investment objectives of the Fund will be achieved, or that an Investor will receive interest on or a return of his, her or its principal. In addition, there will be occasions when the Manager or its affiliates may encounter potential conflicts of interest in connection with the Fund.

The following does not purport to be a complete explanation of the risks involved in this offering or an investment in the Notes issued by the Fund. Before deciding whether to invest in the Notes, prospective investors should carefully evaluate the following considerations, as well as read this Memorandum and the Instructions and Note Purchase Agreement in their entirety. Prospective Investors should consult their own legal, tax and financial advisers as to all these risks and as to investment in the Notes generally.

COVID-19

The COVID-19 pandemic has disrupted economies and financial markets. The outbreak of the COVID-19 virus and the resulting social distancing and stay-at-home orders have disrupted global economies, including the economy of the United States. This global pandemic has adversely impacted employment, financial and real estate markets, lending, supply chains and businesses throughout the world, and may continue to do so through 2022 or longer. Residential tenants across the United States have experienced unemployment, illness and other hardships which are causing some tenants to be unable or unwilling to make their rental payments or to enter into new leases when existing leases expire. In addition, property owners, including property owners managed by the Sponsor, may be unable to evict tenants due to federal, state and/or local laws or regulations or lender requirements. In the event that these business disruptions continue, property owners and managers, including the Sponsor and its affiliates, may continue to experience reduced income from real property investments, including from management and transactions fees. Due to these factors and the uncertainty of economic markets as a result of the COVID-19 pandemic, there is no assurance that the Sponsor and its affiliates will not experience declining revenue from operations and investments. The occurrence of the COVID-19 pandemic and the resulting disruption of global economies could adversely affect the financial performance of the Sponsor and its affiliates and the value of the Notes. In such event, the Sponsor and its affiliates may be unable to pay interest or principal on the loans made by the Fund, the Fund may be unable to pay interest and principal payments on the Notes, and Investors could lose all or a portion of their investment in the Notes.

Risks Relating to the Fund and its Structure, Operations and Investments

There is no assurance that the Fund will generate investment returns. There can be no assurance that the Fund will be able to loan the funds to the Sponsor and its affiliates at rates that will allow for the monthly payment of interest and the return of principal at the end of the terms of the Notes. Therefore, an investment in the Fund should only be considered by potential Investors who can afford a loss of their entire investment.

The Fund is a newly formed entity with a limited operating history. The Fund is a recently formed entity with a limited operating history. As a result of the lack of operating history, potential Investors have limited information upon which to base an investment decision, and there is no assurance that the Fund will achieve its stated objectives and business plan. The past performance of investments made by the Manager is not necessarily indicative of the future results of the Fund's investments. There can be no assurance that the Fund's investment program will be successful. Prior experience is not a guarantee of the future performance of the Fund. In addition, different persons are or may be performing different roles and devoting different levels of attention to the Fund as compared to past transactions and prior experience. Investors should be aware that investment results cannot be predicted reliably, that the realization of investment results is subject to significant uncertainties and contingencies and that investment results may change materially in response to one or more future events. Because of these factors, actual investment results may differ materially from the performance of the investments described herein. Notwithstanding the past performance of these investments, on any given investment, the Fund may incur losses.

The Fund will rely upon the Manager. The Fund will be managed and controlled exclusively by the Manager. As the Fund investment program will be limited to making loans to the Sponsor and its affiliates, the success of the Fund will depend upon the skill and expertise of the Sponsor in operating its business and investments. The loss of the services of any of the key employees of the Manager could have an adverse impact on the Fund's ability to accomplish its investment objectives. There can be no assurance that key employees of the Manager will continue to

be associated with the Manager throughout the term of the Fund. The Manager may resign at any time with limited notice to the Investors without liability to the Fund. Investors have no right to remove the Manager.

Fund investments will not be diversified. The Fund expects that its only investments will be loans made to the Sponsor and its affiliates. Therefore, Fund investments will not be diversified and the success of such investments will be solely dependent upon the performance of the Sponsor.

The Sponsor may incur uninsured losses. The Sponsor will attempt to maintain insurance coverage against liability to third parties and property damage that is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as terrorism, earthquakes or floods, may be unavailable, available in amounts that are less than the full market value or replacement cost of underlying assets or subject to a large deductible. In addition, there can be no assurance that particular risks which are currently insurable will continue to be insurable on an economically feasible basis.

Investors have no management rights with respect to the Fund. Investors will have no right or authority to control the day-to-day operation, including investment decisions, of the Fund. The Manager will have sole and absolute discretion in operating the Fund. In addition, Investors will not receive the detailed financial and other information with respect to the Fund or the Fund's investments. Accordingly, no Investor should acquire Notes unless such Investor is willing to entrust all aspects of the management of the Fund to the Manager.

Notes are illiquid and are subject to restrictions on transfer. The Notes represent highly illiquid investments and should be acquired only by Investors who are able to commit their funds for an indefinite period of time. There is currently no public market for the Notes, and it is highly unlikely that one will develop. Investors should be prepared to hold the Notes until maturity. Investors may be unable to resell the Notes at all, or may be able to resell them only at a substantial discount from the price they paid. The Notes will be subject to restrictions on resale imposed under the Securities Act and other U.S. and non-U.S. securities laws, as well as pursuant to the terms of the Note Purchase Agreement. An Investor may assign its Notes only in certain limited situations and with the consent of the Fund, which consent may be withheld in the Fund's sole and absolute discretion. The Fund expects to consent to transfers or assignments of Notes only under highly unusual circumstances. Neither the Fund, the Manager, nor any of their affiliates have agreed to purchase or otherwise acquire from any Investors any Notes or assume the responsibility for locating prospective purchasers of Investors' Notes.

Creditors and other third parties may have recourse to the Fund's assets. The Fund's assets are available to satisfy all liabilities and other obligations of the Fund. If the Fund becomes subject to a liability, creditors or other third parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and may not be limited to any particular asset, such as the asset that gives rise to the liability.

Indemnification; Limitations of Liability. The Fund's Limited Liability Company Agreement will contain provisions for indemnification of persons who serve at the request of the Manager against claims or lawsuits arising out of the Fund's activities that are broader than the protections that would apply in the absence of those provisions. In addition, certain service providers will have their own indemnification arrangements with the Fund. Losses arising from the foregoing indemnity obligations may be material and could have a material adverse effect on the returns to Investors. The indemnification obligations of the Fund would be payable from its own assets. The Fund has not purchased, nor does it undertake to purchase, any insurance relating to its indemnity obligations. Service providers and third parties also may, by contract with the Fund, limit their potential liabilities to the Fund. Such limitations may limit the Fund's ability to recover losses that are incurred by the Fund.

Litigation. In the ordinary course of its business the Fund or the Manager may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of Notes and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. The expense of defending claims against the Fund by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Fund and would reduce net assets and could require the Investors to return distributed capital and earnings to the Fund. The Manager and its affiliates will be indemnified by the Fund in connection with such litigation, subject to certain conditions.

Compliance with Anti-Money Laundering Requirements. The Fund may be subject to certain provisions of the USA PATRIOT Act of 2001 (the “*Patriot Act*”), including, but not limited to, Title III thereof, the International Money Laundering and Abatement and Anti-Terrorist Financing Act of 2001 (“*Title III*”), certain regulatory and legal requirements imposed or enforced by the Office of Foreign Assets Control (“*OFAC*”) and other similar laws of the United States. In response to increased regulatory concerns with respect to the sources of investor capital used in investments and other activities, the Manager may request that Investors provide additional documentation verifying, among other things, such Investor’s identity and source of funds to be used to purchase Notes. The Manager may decline to accept a subscription if this information is not provided or on the basis of the information that is provided. Requests for documentation and additional information may be made at any time during which an Investor holds Notes. The Manager may be required to report this information, or report the failure to comply with such requests for information, to appropriate governmental authorities, in certain circumstances without informing an Investor that such information has been reported. The Manager will take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives, or special measures, including, but not limited to, those imposed or enforced by OFAC, the Patriot Act, and Title III. Governmental authorities are continuing to consider appropriate measures to implement anti-money laundering laws and at this point it is unclear what steps the Manager may be required to take; however, these steps may include prohibiting an Investor from purchasing additional Notes from the Fund, depositing interest or principal to which such Investor would otherwise be entitled into an escrow account, or causing the withdrawal of such Investor from its investment in the Notes at the Investor’s expense.

Compliance with Dodd-Frank Act and Similar Regulations. The United States, along with state and foreign governments, have taken or are considering extraordinary actions in an attempt to address real or perceived underlying causes of financial crisis and fraud and to prevent or mitigate the recurrence. These actions or other actions under consideration could result in unintended consequences or new regulatory requirements which may be difficult or costly to comply with. For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act or the “Dodd- Frank Act,” expanded federal investment advisory regulations, created the Financial Stability Oversight Council to identify emerging systemic risks and improve interagency communication, created the Consumer Financial Protection Bureau authorized to promulgate and enforce consumer protection regulations relating to financial products, which would affect both banks and non-bank finance companies, and imposed a comprehensive new regulatory regime of financial markets, including derivatives and securitization markets. The costs of continued compliance cannot be foreseen or estimated, and could have a significant impact on the Fund’s business, financial condition, and results of operations. Additionally, it is unforeseeable whether there will be additional proposed laws or reforms that would affect the U.S. financial system or financial institutions, including the Fund, whether or when such changes may be adopted, how such changes may be interpreted and enforced or how such changes may affect the Fund. For example, bankruptcy legislation could be enacted that would hinder the ability to foreclose promptly on defaulted mortgage loans or permit limited assignee liability for certain violations in the mortgage origination process, any or all of which could adversely affect the Fund’s business or result in the Fund and/or the Manager being held responsible for violations in the mortgage loan origination process even where the Fund was not the originator of the mortgage loan.

Compliance with and Impact of Other Laws. Other laws, regulations, and programs at the federal, state, and local levels are under consideration that seek to address the economic climate and real estate and other markets and to impose new regulations on various participants in the financial system. It is unforeseeable the effect that these or other actions will have on the Fund’s business, results of operations and financial condition. Further, the failure of these or other actions and the financial stability plan to stabilize the economy could harm the Fund’s business, results of operations, and financial condition and its ability to repay the Notes.

Risks Relating to Regulatory Matters

Absence of Registration Under Applicable Securities Laws. The Offering is being made under certain federal and state securities laws exemptions. As such, the Notes have not been registered under the Securities Act or applicable state securities laws. Therefore, no regulatory authority has reviewed the terms of this Offering, including the nature and amounts of the compensation, the disclosure of risks and tax consequences, and the fairness of the terms of the Offering. Further, Investors do not have all of the protection afforded in registered and/or qualified offerings, and they must judge the adequacy of disclosure and the fairness of the terms of the Offering without the benefit of prior review by any regulatory authority. Finally, the Fund may fail to comply with the requirements of the exemptions from registration on which it is relying. If so, the Investors could be able to rescind their purchase of Notes under applicable state and federal securities laws. If enough Investors successfully sought rescission, the Fund and the Manager would face severe financial demands, which would adversely affect the Fund.

Absence of Investment Company and Similar Regulatory Oversight. While the Fund may be considered similar to an investment company, it is not presently, and does not propose in the future, to register as such under the Investment Company Act of 1940 or the laws of any other country or jurisdiction and, accordingly, the provisions of the Investment Company Act (which, among other matters, require investment companies to have a majority of disinterested directors, require assets held in custody to be individually segregated at all times from the assets of any other person and to be clearly marked to identify such assets as the property of such investment company, and regulate the relationship between the adviser and the investment company) will not be applicable to the Fund. In addition, the Manager is not registered and does not plan to register as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”).

Risk That the Fund May Become Subject to the Provisions of the Investment Company Act of 1940. The Fund intends to operate so as to not be regulated as an investment company under the Investment Company Act (as defined herein) based upon certain exemptions thereunder. Companies that are subject to the Investment Company Act must register with the SEC and become subject to various registration, governance and reporting requirements. Compliance with such restrictions would limit the Fund’s flexibility, and create additional financial and administrative burdens on the Fund. The Fund believes it can avoid these restrictions based on one or more exclusions or exemptions provided for companies like the Fund. If the Fund fails to qualify for an exclusion or exemption from registration as an investment company, its ability to conduct its business as described herein will be compromised. Any such failure to qualify for such exclusion or exemption would likely have a material adverse effect on the Fund.

Risk that the Manager May Become Subject to the Provisions of the Advisers Act or Corresponding State Regulations. The Manager has not registered as an investment adviser under the Advisers Act and intends to operate so as to not be required to register as an investment adviser with the SEC. Specifically, a provider of investment advice as to real estate, and not as to securities, should not be considered an “investment adviser” for purposes of the Investment Advisers Act. If the Manager were deemed to be an investment adviser, and if or when the Manager exceeds that threshold, unless it is eligible for another exemption, it will be required to register under the Advisers Act and will be subject to various restrictive provisions provided for therein. The Manager cannot determine at this time, what, if any, impact such registration and restrictions will have on its business or the business of the Fund.

Plan Fiduciaries should consider their obligations. Fiduciaries of a pension, profit-sharing or other employee benefit plan or plan subject to Title I of ERISA, Section 4975 of the Code or Similar Laws (as defined below) should consider whether:

- an investment in the Fund satisfies the prudence and diversification requirements of ERISA or Similar Laws, as applicable, including whether the investment is prudent in light of limitations on the marketability of the Notes;
- the fiduciaries have authority to make the investment under the appropriate plan investment policies and governing instruments and under ERISA or Similar Laws, as applicable;
- the investment could give rise to a non-exempted “prohibited transaction” within the meaning of Section 406 of ERISA, Section 4975 of the Code or Similar Laws, as applicable;
- whether an investment in the Fund will be treated as plan assets; and
- the income from the investment may be subject to taxation under the UBTI rules of Section 511 of the Code.

Risks Relating to Conflicts of Interest

The Manager and its affiliates may take certain actions or engage in certain transactions that may conflict with the interests of the Fund and the holders of its Notes. Certain of the potential conflicts of interest are as follows:

The Manager and its affiliates, including the Investment Advisor, may conduct certain business activities outside of the Fund. In general, except as provided in the Operating Agreement, the Manager is not prohibited from engaging, directly or indirectly, in any other business or from possessing interests in any other business venture or

ventures, including businesses and ventures involved in the acquisition, development, ownership, management, leasing or sale of real estate projects. Therefore, conflicts may arise in the allocation of management resources. In addition, the Manager and its affiliates continue to provide investment advisory and investment management services to other investors in respect of existing investments. In general, certain conflicts may arise between the business activities of the Fund and the business activities of the other companies, funds and investors referred to above.

The Manager and its affiliates are entitled to the benefit of certain exculpation and indemnification provisions. Under the terms of the Fund's limited liability company agreement, the Manager and the other Indemnified Parties (as defined therein) will not be liable to the Fund or its member for any act or failure to act, so long as the Indemnified Party acted in good faith and in a manner it reasonably believed to be in, or not opposed to, the best interest of the Fund and so long as such act or omission did not constitute willful misconduct, fraud or a material breach by the Indemnified Party of its obligations under the limited liability company agreement. Similarly, the Manager is authorized to consult third parties (such as legal counsel, accountants, appraisers and other professional consultants and advisers) that the Manager believes are qualified to provide services, and shall be entitled to rely in good faith upon the recommendations, reports, advice or other services provided by such third parties. Furthermore, the Fund will, to the fullest extent permitted by law, indemnify and hold harmless each Indemnified Party from and against any loss, liability, expense, costs or damages arising out of or in connection with any act taken or omitted to be taken in respect of the affairs of the Fund, unless such act or omission constitutes the willful misconduct, fraud or a material breach by the Indemnified Party of its obligations under the limited liability company agreement. The indemnification obligations of the Fund would be payable from the assets of the Fund.

Risks Relating to Real Estate Investment Activities

In addition to the risks listed above, the Fund is subject to the investment risks of the Sponsor and its affiliates to the extent the proceeds of loans made to the Sponsor are used for investment; some, but not all, of these risks are summarized below.

Real estate investments are subject to a number of inherent risks. The Sponsor's investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, those associated with the burdens of ownership of real property, general and local economic conditions, local real estate conditions, changes in supply of or demand for competing properties in an area (for instance, as a result of overbuilding), fluctuations in occupancy rates, the financial resources of tenants, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, changes in government regulations, changes in real property taxes, changes in interest rates and the availability of financing, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks and war and other factors that are beyond the control of the Sponsor. Some of these factors are discussed in greater detail below.

Real estate investments lack liquidity. Investments in real estate or interests in real estate are typically highly illiquid. There is a significant risk that the Sponsor will be unable to realize its investment objectives through the sale or other disposition of its investments at attractive prices within any given period of time, or will otherwise be unable to successfully implement exit strategies for its investments. In particular, these risks could be increased due to the inability of potential purchasers to obtain financing on satisfactory terms (or at all), changes in the financial condition or prospects of the asset in which an investment is made, changes in market conditions, such as downturns in demand, or changes in laws, regulations or fiscal policies of jurisdictions in which the investments are made. If the Sponsor is unable to dispose of its investments or otherwise realize the full value of its investments, the performance of the Sponsor's investments could be adversely affected, which could negatively impact the Sponsor's ability to pay interest on or repay loans made to it by the Fund.

Limited Representations and Warranties. The Sponsor may acquire or invest in properties with only limited, or in some cases no, representations or warranties from the sellers regarding the condition of the properties, the presence of building defects, natural hazards, nuisances or hazardous substances, or other matters affecting the use or ownership of the properties. As a result, if defects in a property or other matters adversely affecting the property are discovered, the Sponsor may not be able to pursue a claim for damages against the original sellers of the property. The extent of damages that the Sponsor may incur as a result of such matters cannot be predicted, but potentially could have a material adverse effect on the value of the Sponsor's assets.

Real estate investments may involve environmental risks. The Sponsor could face substantial risk of loss from environmental claims based on environmental problems associated with its investments. Under federal, state and local laws and regulations relating to protection of the environment, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances at such property and may be held liable to a governmental entity or to third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with any contamination. Such laws typically impose clean-up responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants, and the liability under such laws has often been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. In addition, the owner or operator of a site may be subject to claims by third parties based on damages and costs resulting from environmental contamination emanating from a site.

The Sponsor's investments may be leveraged. Most of the real estate investments acquired by the Sponsor are expected to utilize a leveraged capital structure, in which case a third party will be entitled to cash flow generated by such investments prior to the time the Sponsor receives a return of its investment. Although such leverage presents opportunities for increasing the Sponsor's total return, it also involves a high degree of financial risk and has the potential of increasing exposure of the Sponsor's investments to adverse economic factors such as rising interest rates, economic downturns, fluctuations in market conditions, deterioration in the assets underlying such investments or deterioration in the condition of a real estate investment or its market. In the event an investment acquired by the Sponsor is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the Sponsor's investment could be significantly reduced or even eliminated. In addition, throughout the life of the Sponsor's ownership, depending on, among other things, prevailing business and market conditions, the terms of any financing arrangement may be modified, restructured or refinanced or such financing arrangement may be terminated, and such modification, restructuring, refinancing or termination may not be favorable to the Sponsor.

Regulatory and consent requirements may negatively affect the Fund's investments. Certain of the real estate investments that the Sponsor may seek to acquire are likely to require the approval of governmental authorities and, in some cases, consents from third parties. The process of applying for and obtaining regulatory approvals can be difficult and costly for the types of investments targeted by the Sponsor, and varies from jurisdiction to jurisdiction. There can be no assurance that any required approvals and consents will be obtained on a timely basis, if at all. The need to obtain such approvals and consents and to otherwise comply with regulatory requirements may cause significant delays, thereby exacerbating the risks facing the Sponsor's real estate investments, including the risk that changes in local market conditions will make an investment economically untenable.

The sale of investments carries with it potential liability for the Fund. In connection with the disposition of a real estate investment by the Sponsor, the Sponsor may be required to make representations about the relevant investment typical of those made in connection with the sale of any real estate investment. Investment vehicles owned in whole or in part by the Sponsor may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Sponsor.

VI. INVESTMENT PROGRAM

Loans to the Sponsor and Affiliates

The Fund's only investments will be loans made to the Sponsor and its affiliates to fund the purchase of property, fund due diligence and pre-development work for new projects, to pay debt and other expenses of the Sponsor and its affiliates and to fund an interest reserve to pay Noteholders. The interest rate to be paid on such outstanding loans shall be set by the Manager. See "*Risk Factors - Risks Relating to the Fund and its Structure, Operations and Investments*," "*Risk Factors - Risks Relating to Conflicts of Interest*" and "*Conflicts of Interest*."

VII. PLAN OF DISTRIBUTION

Sale of Notes

The targeted aggregate amount of Notes to be sold by the Fund is \$15,000,000. However, the Manager may accept subscriptions in a lesser or greater amount not to exceed \$20,000,000. A minimum purchase of \$50,000 is required, although the Manager may waive the minimum purchase requirements in its discretion. The Fund intends to accept subscriptions until the Offering Termination Date, although the Manager may, in its discretion, extend the Offering Termination Date for an additional six (6) months.

The Notes will have terms of 24 months from issuance and will bear interest at a rate of 9% per annum, paid monthly. Notes purchased before January 18, 2022 will bear interest at a rate of 10% per annum, paid monthly. Notes purchased after March 15, 2023 will bear interest at a rate of 13% per annum. Notes purchased Investors will hold the Notes in "book entry" form and no paper certificates evidencing the Notes will be issued.

Prospective Investors must adhere to the payment arrangements summarized in the section entitled "*How to Purchase*" in this Memorandum and in the following paragraphs of this section and as set forth in full in the Note Purchase Agreement, attached as **Exhibit A** to this Memorandum. All proceeds for the purchase of Notes will be directly deposited into an account in the name of the Fund at a bank to be designated by the Fund, and may thereafter be immediately invested by the Fund. The Fund reserves the right to refuse to sell the Notes to any person, in its sole discretion, and may terminate the sale of Notes at any time.

Qualifications of Investors

Notes may be purchased only by prospective Investors who are accredited investors and who satisfy certain suitability requirements. See "*Who May Invest*."

Marketing of Notes

Emerson Equity LLC ("**Emerson**") serves as managing broker-dealer for the Offering (the "**Managing Broker-Dealer**") and will receive selling commissions (the "**Selling Commissions**") of up to 6.00% of the gross Offering proceeds and a dealer fee (the "**Dealer Fee**") for coordinating the marketing of the Notes with any participating broker/dealers as well as for non-itemized, non-invoiced due diligence efforts in an amount equal to 1.00% of the gross Offering proceeds. Selling Commissions will either be paid to affiliates of Emerson, including employees and contractors of the Sponsor, or re-allowed to broker/dealers (the "**Selling Group**") who are members of the Financial Industry Regulatory Authority ("**FINRA**"). The Dealer Fee will either be retained by Emerson or re-allowed to the Selling Group. The Fund will also pay a fee to Emerson equal to 2.00% of the gross Offering proceeds for serving as the Managing Broker-Dealer (the "**Managing Broker-Dealer Fee**") (1.25% of which is designated as wholesaling fees and will be paid to employees and contractors of the Sponsor or other affiliates of Emerson or which may be re-allowed to the Selling Group). The Fund will also reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses (the "**O&O Expenses**") in an amount equal to approximately 0.75% of the gross Offering proceeds. The Selling Commissions, the Dealer Fee, the Managing Broker-Dealer Fee, and the O&O Expenses, as well as other costs of the Offering, will be paid by the Fund out of the gross Offering proceeds. See "*Estimated Use of Proceeds*." The Fund reserves the right to pay reduced commissions and fees or to waive such sums with respect to Notes acquired by certain affiliates and other persons.

Offers and sales of Notes will be made on a “best efforts” basis by members of the Selling Group. Unless terminated earlier by the Manager in its sole discretion, the Offering will terminate upon the first to occur of (i) the sale of the maximum offering amount of aggregate principal of \$15,000,000, subject to increase to \$20,000,000 in the sole discretion of the Manager (the “**Maximum Offering Amount**”), or (ii) November 15, 2022, which date may be extended for six months in the sole discretion of the Manager (the “**Offering Termination Date**”).

The Fund, in its sole discretion, may accept purchases of Notes net (or partially net) of Selling Commissions and O&O Expenses and other items of compensation due to the Fund or an affiliate of the Fund, in each instance under circumstances deemed appropriate by the Fund, and including, but not limited to, purchases of Notes that are directed by a registered investment advisor, purchases of Notes made by an investor through a bank or trustee, or purchases of Notes where the selling commissions or other fees are waived by the broker or other intermediary. If Notes are sold net of selling commissions and/or other expenses, then the Fund may issue additional Notes to the purchasing investor, or discount the price of the Notes, in the discretion of the Fund, to account for the savings of commissions and/or expenses.

Inquiries regarding purchases of Notes should be directed to the Sponsor at Versity Investments Income Fund II, LLC, 20 Enterprise, Suite 400, Aliso Viejo, CA 92656, Attn: Investor Relations, email: subscriptions@VersityInvest.com.

THE NOTES ARE BEING OFFERED ONLY TO PERSONS WHO MEET THE INVESTOR SUITABILITY STANDARDS (SEE “*WHO MAY INVEST*”).

Limitation of Offering

This Offering is being made in reliance on Rule 506(b) of Regulation D promulgated under the Securities Act as well as state securities laws exemptions. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the Investor Suitability Requirements described herein, and this Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those requirements.

Notes may be purchased using assets of various benefit plans, including employee benefit plans subject to Title I of ERISA, retirement plans subject to Section 4975 of the Code, such as plans intended to qualify under Code Section 401(a) (including plans covering only self-employed individuals) and individual retirement accounts (collectively “**Plans**”). Neither the Fund nor the Manager makes any representation with respect to whether the Notes are a suitable investment for any such Plan. Additionally, the Fund and the Manager will limit the availability of Notes for purchase by or transfer to such Plans to less than 25% of all interests to prevent the assets of the Fund from characterization as “plan assets” (as defined in 29 Code of Federal Regulations § 2510.3-101) subject to the fiduciary standards of Part 4 of Subtitle B of Title I of ERISA and Code Section 4975.

Acceptance of Investors

The Fund may accept or reject the Note Purchase Agreement of any prospective Investor for any reason for a period of 30 days after receipt of the Note Purchase Agreement. Any proposed purchase of Notes not accepted within 30 days of receipt is deemed rejected.

VIII. ESTIMATED USE OF PROCEEDS

Estimated Uses of Proceeds

The following table sets forth certain information concerning the estimated uses of the proceeds raised from the sale of Notes:

Uses of Proceeds⁽¹⁾

	Amount	Percent of Offering Proceeds
Gross Proceeds	\$15,000,000	100.00%
Organization and Offering Costs ⁽²⁾	\$112,500	0.75%
Selling Commissions	\$900,000	6.00%
Managing Broker-Dealer Fee	\$300,000	2.00%
Broker-Dealer Marketing & Due Diligence	\$150,000	1.00%
Available for Investment	\$13,537,500	90.25%
Total Uses of Proceeds	\$15,000,000	100.00%

NOTES:

- (1) Emerson Equity LLC ("**Emerson**") serves as managing broker-dealer for the Offering (the "**Managing Broker-Dealer**") and will receive selling commissions (the "**Selling Commissions**") of up to 6.00% of the gross Offering proceeds and a dealer fee (the "**Dealer Fee**") for coordinating the marketing of the Notes with any participating broker/dealers as well as for non-itemized, non-invoiced due diligence efforts in an amount equal to 1.00% of the gross Offering proceeds. Selling Commissions will either be paid to affiliates of Emerson, including employees and contractors of the Sponsor, or re-allowed to broker/dealers (the "**Selling Group**") who are members of the Financial Industry Regulatory Authority ("**FINRA**"). The Dealer Fee will either be retained by Emerson or re-allowed to the Selling Group. The Fund will also pay a fee to Emerson equal to 2.00% of the gross Offering proceeds for serving as the Managing Broker-Dealer (the "**Managing Broker-Dealer Fee**") (1.25% of which is designated as wholesaling fees and will be paid to employees and contractors of the Sponsor or other affiliates of Emerson or which may be re-allowed to the Selling Group). The Fund will also reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses (the "**O&O Expenses**") in an amount equal to approximately 0.75% of the gross Offering proceeds. The Selling Commissions, the Dealer Fee, the Managing Broker-Dealer Fee, and the O&O Expenses, as well as other costs of the Offering, will be paid by the Fund out of the gross Offering proceeds. See "*Estimated Use of Proceeds*" and "*Plan of Distribution*." The Fund reserves the right to pay reduced commissions and fees or to waive such sums with respect to Notes acquired by certain affiliates and other persons.
- (2) The Sponsor will be entitled to reimbursement for O&O Expenses incurred in connection with the Offering and organization of the Fund, including legal, accounting, printing and other costs and expenses directly related to the Offering. Reimbursements to Sponsor may include reasonable charges for services provided by Sponsor's internal legal staff and by Sponsor's staff working on organization and offering tasks. To the extent that these costs are less than the estimated amounts, the excess will be retained by the Sponsor as additional compensation.

IX. MANAGEMENT

Manager

The Sponsor will serve as the Manager of the Fund. Versity Investments, LLC (formerly NB Private Capital, LLC) is a real estate investment company founded in 2018 by Brian Nelson and other key members of management to focus on acquiring and operating multi-family and student-housing real estate investments. Prior to founding the Sponsor, Brian Nelson was co-founder and co-owner of Nelson Brothers Professional Real Estate, LLC, a real estate investment company which acquired, managed, operated and developed student-housing and assisted-living real estate investments. Brian Nelson is the sole owner of the Sponsor.

The Sponsor's management team has experience in all aspects of acquiring, financing, owning and managing multi-family residential properties. As of October 1, 2021, the Sponsor was responsible for approximately 4,092 multi-family and student-housing units and over 9,000 beds.

Management of the Manager

Brian Nelson (President). Brian Nelson is President and Co-Founder of Versity Investments, LLC. As President, Mr. Nelson utilizes his extensive experience in student housing to create a more investor-centric firm that places greater emphasis on property performance, investor communication, and long-term relationships. Mr. Nelson co-founded Nelson Brothers Professional Real Estate ("**NBPRE**") in 2007. He helped build NBPRE into one of the 20 largest student housing ownership groups in the country, closing over \$1 billion in assets with over 1800 clients, and building the firm to over 200 employees. In 2017, NBPRE was recognized by Inc. 500 as the 129th fastest growing company in the U.S. and the 4th fastest growing in the real estate industry. Versity Investments and NBPRE have gone full cycle on projects involving nine student housing properties with an average total return exceeding 50 percent.

Mr. Nelson worked as a product marketing manager for VERITAS and Symantec Software (NASDAQ:SYMC) where he specialized in marketing strategy, business development, and product positioning for several software products totaling well over \$50 million in annual sales. He has a Bachelor of Arts from the University of Utah and a Master of Business Administration from Brigham Young University. Mr. Nelson holds Series 7 and 63 registrations and is affiliated with the Managing Broker-Dealer and may receive brokerage fees and selling commissions in connection with the Offering.

Blake Wettengel (Chief Executive Officer). Blake Wettengel is Chief Executive Officer and Co-Founder of Versity Investments, LLC and its related entities. Mr. Wettengel is responsible for the creation of a firm that is now recognized nationally as a leading real estate operating company that has acquired, managed, and/or developed real estate investments valued in excess of \$500 million with properties across the country. During Mr. Wettengel's tenure in the student housing industry, he has overseen the acquisition and management of over 15,000 beds of multi-family properties, securing nearly \$1.5 billion in debt and equity. His firms have received multiple awards including a ranking in the Inc. 500, recognizing the fastest growing companies in the country.

Mr. Wettengel holds a Juris Doctorate degree from the University of California, Los Angeles (UCLA). He practiced law from 2005 to 2015, specializing in real estate and corporate transactions and related tax and securities matters. He also holds a Bachelor of Arts Degree with honors from Brigham Young University.

Tanya Muro (Chief Operating Officer). Tanya Muro is Chief Operating Officer and Co-Founder of Versity Investments and its related entities. As Chief Operating Officer, Mrs. Muro is responsible for the global operations of the company. With over 20 years of experience in the commercial real estate industry, Mrs. Muro has closed more than \$2 billion in real estate equity, beneficial interests, LLC/LP interests, land development and oil and gas transactions, including the country's first tenant in common acquisition. Her leadership focuses on high performance areas while providing outstanding client service and driving profitable revenue growth.

Mrs. Muro has managed over 3,500 investors while heading Business Development at multiple firms, including Nelson Brothers Professional Real Estate, which was ranked in the Inc. 500 as one of the fastest growing real estate companies in the country. Mrs. Muro has broad knowledge of regulatory bodies, including NASD, FINRA and the SEC and holds a B.A. from Loyola Marymount University.

Frank Muhlon (Chief Investment Officer). Frank J. Muhlon is an accomplished commercial real estate executive with over 20 years of transactional (acquisitions, sales, equity/debt), asset management, and advisory experience involving over \$15 billion of asset value, covering traditional property asset classes (multifamily, office, retail, industrial, hospitality) and alternative assets (e.g. healthcare/medical, self-storage, data centers, homebuilding, infrastructure, specialty).

As Chief Investment Officer at Versity Investments, Frank originates, executes, and manages multi-family and student housing investments nationally. Previously, he has held senior positions with equity syndicate CrowdStreet, real estate trading platform Ten-X, middle market investment banking firm Orix USA/Houlihan Lokey, and New York-based owner/developer Silverstein Properties. Frank holds a M.S. Real Estate Finance from New York University and a B.S. Finance from Rutgers University.

Jennifer Welker (Chief Financial Officer). Jennifer Welker is the Chief Financial Officer of Versity Investments. She oversees all financial aspects of the company including acquisitions, accounting, financial reporting, cash management, budget/forecasting, and investor financial reporting.

Mrs. Welker previously served as Vice President and Corporate Controller of the Picerne Group where she was responsible for finance, accounting and financial reporting for the company's investment, management and development activities. She graduated from San Jose State University in 1996 with a B.S. degree in Business and an emphasis in accounting. She is a Certified Public Accountant.

Jason Kjellson (Executive Vice President, Capital Markets). Jason Kjellson is the firm's Executive Vice President of Capital Markets and National Sales Manager overseeing the distribution of the firm's investment programs. Mr. Kjellson works with the heads of investment institutions to ensure the firm's investment offerings are in-line with regulatory and client demand sets. Mr. Kjellson has raised over \$1BN for investment programs ranging from Delaware Statutory Trusts (DST's), LLC's and mutual funds. Mr. Kjellson is a frequent speaker at real estate conferences and investor events.

Prior to beginning his career in 2008, Mr. Kjellson served seven years in the United States Army and attended the University of South Carolina. Mr. Kjellson holds a B.S. degree in Finance and FINRA Series 7, 22, and 63 securities licenses.

X. PRIOR INVESTMENTS

Prior to founding the Sponsor, Brian Nelson and certain members of the management team were involved in the management of Nelson Brothers Professional Real Estate, LLC. In the spring of 2018, Brian Nelson and Patrick Nelson agreed to separate their business interests and to operate independently of each other. As part of the separation of Brian's and Patrick's business interests, Brian has taken primary responsibility for leasing and operation of those properties and investment funds described below that were acquired or formed prior to 2018, and Patrick has agreed to relinquish his interests in such properties and funds. The properties and funds acquired or formed from 2018 on were acquired and formed by the Sponsor. The past operating results of these investments are not necessarily indicative of future operating results.

Property Name	Type	Purchased	Location/School	Purchase Price	Beds
Duck Lofts	TIC ¹	Nov 2010	University of Oregon	\$3,575,000	48
Duck Flats	TIC	Jan 2012	University of Oregon	\$2,957,500	40
9 and 9	TIC	Dec 2013	BYU	\$3,296,000	111
Darby Row	DST ²	Feb 2014	Notre Dame	\$6,126,000	71
The Plaza	DST	May 2015	University of Colorado	\$24,771,500	152
Tuscany Place	DST	Jul 2015	BYU-Idaho	\$10,350,000	284
Chateau Sera & Trop**	DST	Jul 2015	USC	\$10,403,000	60
Red Mountain	DST	Sep 2015	Dixie State University	\$8,446,000	252
Park Plaza	TIC	Mar 2016	BYU	\$7,004,000	174
Sawmill	TIC	Jul 2016	Northern Arizona	\$37,080,000	392
Molly Barr	DST	Sep 2016	Ole Miss	\$22,273,751	313
Grant Street	DST	Jan 2017	Purdue	\$40,442,500	364
The Ruckus	LLC ³	Jun 2017	Washington State	\$51,000,000	926
The Factory	TIC	Jun 2017	Utah State	\$36,500,000	479
The Element	DST	Oct 2017	Cal State Sacramento	\$81,885,000	792
CP Cincy	DST	Dec 2017	University of Cincinnati	\$26,780,000	440
The Ridge	TIC	Jul 2018	West Virginia University	\$15,000,000	644
The Buckingham	DST	Jul 2018	Downtown Chicago	\$75,000,000	438
345 Flats	DST	Nov 2018	Kent State University	\$27,500,000	288
Tailor Lofts	DST	Feb 2019	U. of Illinois at Chicago	\$60,000,000	135
Bluegrass	LLC	Jun 2019	University of Kentucky	\$15,250,000	537
The Nine	DST	Aug 2019	University of Memphis	\$27,200,000	385
Rockland	DST	Oct 2019	University of Kansas	\$31,000,000	647
Campus Walk	DST	Dec 2019	Cal State Chico	\$18,750,000	174
University Park	LLC	Feb 2020	U. of Cal., Berkeley	\$34,000,000	112
Wolf Run	DST	Mar 2021	U. of Nevada, Reno	\$51,000,000	429
Astoria at Celebration	DST	May 2021	Celebration, Florida	\$74,500,000	486
Inspire on 22 nd	DST	June 2021	U. of Texas at Austin	\$71,000,000	451
Shadowglen	DST	June 2021	Manor, Texas	\$41,850,000	340
Oakbrook	DST	Sep 2021	Louisiana State	\$34,700,000	466
4 th & J	DST	Oct 2021	San Diego, California	\$71,550,000	179
Totals				\$986,490,251	10,591

** Chateau Sera and Tropicana were sold in March 2019.

¹ TIC means that the property is held by the owners as Tenants in Common.

² DST means that the property is held and owned by a Delaware Statutory Trust, and that investors hold beneficial interests in the statutory trust.

³ LLC means that the property is held and owned by a limited liability company, and that investors hold membership interests in such limited liability company.

Other Property

In addition to the student and multi-family housing properties listed above, the Sponsor is also managing an investment in Eden Heights of West Seneca, an assisted living facility in West Seneca, New York.

Fund I

In 2013 the Sponsor formed a fund that has invested in both student-housing projects and assisted living facilities, and that has also made loans to the Sponsor and its Affiliates (“**Fund I**”). Fund I is no longer accepting new investors.

Fund II

In February 2017 the Sponsor formed a second fund that has invested primarily in student-housing projects and that has also made loans to the Sponsor and its Affiliates (“**Fund II**”). Fund II is no longer accepting new investors.

Fund III

In May 2018, the Sponsor formed a third fund to invest primarily in student-housing projects (“**Fund III**”). Fund III has also made loans to the Sponsor and its Affiliates.

Income Fund I

In September 2020, the Sponsor formed an income fund (the “**Income Fund I**”) authorized to issue up to \$5,000,000 in 12-month, 7% notes (subject to an increase to \$10,000,000) to be used by Income Fund I make loans to the Sponsor to fund the purchase of property, to fund due diligence and pre-development work for new projects and to pay debt and other expenses of the Sponsor. Income Fund I is no longer accepting new investors.

XI. PRIOR PERFORMANCE

The information presented in this section represents the historical experience of real estate properties and funds sponsored by Versity Investments and its predecessor. Investors should not assume that they will experience returns, if any, comparable to those experienced by investors in such prior real estate properties and funds. You will not receive an ownership interest in any of the entities to which the following information relates.

The following three tables represent properties and funds operating as of the date of this Memorandum. The tables reflect the date on which the described property was offered to investors, along with the total equity offered. As used in the table, “**Offering Price**” represents that price paid for the property, plus all estimated costs and expenses related to the acquisition and financing, all estimated costs and expenses related to the offering and any initial contribution to reserve accounts, if applicable. “**Loan to Offering Price**” reflects the original loan-to-offering price as reflected in the private placement memorandum for that property. “**Cash-on-Cash**” returns have been calculated by annualizing the returns obtained by dividing the amounts distributed or to be distributed to investors for the month of November 2021 by the total equity invested in the property. The “**Cash on Cash**” return calculation includes both stated and bonus rents paid or to be paid to investors for the month of November 2021 in accordance with the terms of the master lease for each property. “**Total Yield**” is calculated by adding the annualized amortization percentage for the corresponding period, if any, to the Cash-on-Cash return. The “**Projected Cash-on-Cash Proforma**” reflects the original return forecasts made in the respective private placement memorandum for the current academic school year, typically the period from September through August, or for the current fiscal year for the property, as the case may be.

(*) Pre-COVID yield rates reflect the respective property's ability to fund distributions prior to April 2020 and reflect the strength of such property prior to the COVID pandemic. Annualized calculations are based on distributions made in March 2020 and include loan amortization, if any, for the same period. See "Notes to Currently Active Properties" for greater detail.

- (**) Current yield rates reflect the impact of the COVID pandemic on the respective property's ability to fund distributions paid or to be paid for November 2021. Annualized calculations are based on distributions made or to be made for November 2021 and include loan amortization, if any, for the same period. See "Notes to Currently Active Properties" for greater detail.

- (*) Pre-COVID yield rates reflect the respective property's ability to fund distributions prior to April 2020 and reflect the strength of such property prior to the COVID pandemic. Annualized calculations are based on distributions made in March 2020 and include loan amortization, if any, for the same period. See "Notes to Currently Active Properties" for greater detail.

- (**) Current yield rates reflect the impact of the COVID pandemic on the respective property's ability to fund distributions paid or to be paid for November 2021. Annualized calculations are based on distributions made or to be made for November 2021 and include loan amortization, if any, for the same period. See "Notes to Currently Active Properties" for greater detail.

Notes to Currently Active Properties

- (1) 4th & J (DST). 4th & J is a mid-rise Class A conventional multi-family property located in the Marina District of San Diego. The property was completed in 2020 and consists of 168 units in a single six-story building above a subterranean parking garage.
- (2) Oakbrook (DST). Oakbrook is a multi-family student housing community located in Baton Rouge, Louisiana near Louisiana State University. The property consists of nineteen two- and three-story residential buildings with 244 units and 466 beds and is 100% leased for the 2021/22 academic year.
- (3) Shadowglen (DST). The Flats at Shadowglen is Class A conventional multi-family property consisting of 248 units in 11 two- and three-story buildings on 12.17 acres. The property finished construction in 2020 and is 98% occupied.
- (4) Inspire on 22nd (DST). Inspire on 22nd is an 18-story student housing property located two blocks from the University of Texas at Austin. Inspire on 22nd was built in 2019 and maintained 95% occupancy throughout the 2020/21 academic year.
- (5) Astoria (DST). Astoria is a multi-family property in Celebration, Florida near the Walt Disney World theme parks. Astoria was originally built in 2015 but had to be vacated prior to fully leasing due to balcony construction issues. A new owner subsequently invested in excess of \$10MM performing repairs, replacing the roof and upgrading flooring. The second owner began leasing in March 2020 just as Covid-19 was breaking out across the United States. The Sponsor entered into a purchase contract with the owner in late 2020 at the height of the pandemic. At the time the purchase closed in May 2021, the property was approximately 99% leased. The property is fully occupied with a waitlist pending lease expirations.
- (6) Wolf Run (DST). Wolf Run consists of two properties adjacent to the University of Nevada, Reno in Reno, Nevada. The offering includes both properties totaling 144 doors and 429 beds. The properties are 86% leased for the Fall 2021 semester.
- (7) Campus Walk (DST). Due to the property's proximity to campus and the fact that it is the newest off campus property, Campus Walk lead the market in occupancy throughout the 2020/21 academic year. On September 15, 2020, Book & Ladder Collegiate Experiences assumed on-site management of the property and began an aggressive campaign to ensure successful post-pandemic operations. The property is 50% leased for the Fall 2021 semester.
- (8) Rockland (DST). Rockland is 75% leased for the fall 2021/22 academic year (in line with the competitive set). The asset manager expects leasing to continue well into the fall semester and as a result occupancy is expected improve. However, the asset manager made the decision to reduce distributions to 0% for the month of September to offset decreased revenue. Distribution levels will be reviewed monthly as the Fall 2021 semester progresses.
- (9) The Nine (DST). In April 2020 the asset manager adjusted the cash-on-cash return in advance of the unknown financial impact of the COVID-19 virus. After having suspended on-campus activities for the 2020/21 academic year, the University of Memphis has announced a return to in-person classes and activities for the Fall 2021 semester. Despite this market disruption, The Nine was the market leader in occupancy throughout the 2020/21 academic year. On November 17, 2020, Book & Ladder Collegiate Experiences assumed on-site management of the property and began an aggressive campaign to ensure successful post-pandemic operations. The property is 76% leased for the Fall 2021 semester and the asset manager is in negotiations with the lender to modify the loan due to the impacts of COVID-19.

- (10) Tailor Lofts (DST). In April 2020 the asset manager adjusted the cash-on-cash return in advance of the unknown financial impact of the COVID-19 virus. After having suspended on-campus activities for the 2020/21 academic year, the University of Illinois-Chicago has announced a return to in-person classes and activities for the Fall 2021 semester. The property is 76% leased for the Fall 2021 semester.
- (11) 345 Flats (DST). In April 2020 the asset manager adjusted the cash-on-cash return in advance of the unknown financial impact of the COVID-19 virus. In Q1 of 2021, cash flows began an upward climb due to the property's strong performance. After having suspended on-campus activities for the 2020/21 academic year, Kent State has announced a return to in-person classes and activities for the Fall 2021 semester. On November 17, 2020, Book & Ladder Collegiate Experiences assumed on-site management of the property and began an aggressive campaign to ensure successful post-pandemic operations. The property is 100% leased for the Fall 2021 semester. In September 2021, the asset manager announced an increase in cash-on-cash distributions from 3.08% to 3.66% as a result of the property's leasing status for the 2021/22 academic year.
- (12) The Buckingham (DST). In April 2020 the asset manager adjusted the cash-on-cash return in advance of the unknown financial impact of the COVID-19 virus. After having suspended on-campus activities for the 2020/21 academic year, most of the neighboring academic institutions have announced a return to in-person classes and activities for the Fall 2021 semester. The property is 95% leased for the Fall 2021 semester.
- (13) CP Cincy (DST). CP Cincy is a 2007 vintage 440-bed student housing property located steps from the University of Cincinnati (the "U of C") and the broader downtown Cincinnati market. In April 2020 the asset manager adjusted the cash-on-cash return in advance of the unknown financial impact of COVID-19. The property is 66% leased for the Fall 2021 semester with backfill leasing ongoing.
- (14) Element (DST). In April 2020 the asset manager adjusted the cash-on-cash return in advance of the unknown financial impact of the COVID-19 virus. After having suspended on-campus activities for the 2020/21 academic year, the University of California system has announced a return to in-person classes and activities for the Fall 2021 semester. Despite this market disruption, The Element was the leader in occupancy in its competitive market throughout the 2020/21 academic year. On September 15, 2020, Book & Ladder Collegiate Experiences assumed on-site management of the property and began an aggressive campaign to ensure successful post-pandemic operations. The property is 95% leased for the Fall 2021 semester. In September 2021, the asset manager announced an increase in cash-on-cash distributions from 2.5% to 5.45% as a result of the property's leasing status for the 2021/22 school year. The asset manager is currently exploring a possible sale of the property in the first half of 2022.
- (15) Grant Street (DST). In April 2020 the asset manager adjusted the cash-on-cash return in advance of the unknown financial impact of the COVID-19 virus. After having suspended on-campus activities for the 2020/21 academic year, Purdue University has announced a return to in-person classes and activities for the Fall 2021 semester. In September 2021, the asset manager announced an increase in cash-on-cash distributions from 3.33% to 4% as a result of the property's leasing status for the 2021/22 school year. The property is 100% leased for the Fall 2021 semester.
- (16) Molly Barr (DST). Molly Barr Ridge is a 53-unit, 169-bed apartment complex located one and a half miles from the University of Mississippi ("Ole Miss"). Molly Barr Trails is a 72-unit, 144-bed apartment complex the same distance from campus. The two properties comprise Molly Barr, DST and were purchased in September of 2016. Ole Miss experienced positive year-over-year enrollment growth for the majority of the 2010's, attracting a substantial amount of development and ultimately competition for Molly Barr, DST. During 2017, 2018, and 2019, Ole Miss experienced negative enrollment growth right as this new competition came online. The property is 80% leased for the Fall 2021 semester with backfill leasing ongoing.
- (17) Park Plaza Provo (DST). The sale of Park Plaza is anticipated in 2022.

- (18) Red Mountain (DST). In April 2020 the asset manager adjusted the cash-on-cash return in advance of the unknown financial impact of COVID-19. After having suspended on-campus activities for the 2020/21 academic year, Dixie State has announced a return to in-person classes and activities for the Fall 2021 semester. The property is 96% leased for the Fall 2021 semester and the asset manager is currently exploring the possibility of a sale in the first half of 2022.
- (19) Tuscany Place (DST). Tuscany Place Apartments is a 48-unit, 284-bed student-housing property located less than a quarter mile from Brigham Young University - Idaho. After having suspended on-campus activities for the 2020/21 academic year, BYU-Idaho has announced a return to in-person classes and activities for the Fall 2021 semester. The property is 100% leased for the Fall 2021 semester. In September 2021, the asset manager announced an increase in cash-on-cash distributions from 2.0% to 4.0% as a result of the property's leasing status for the 2021/22 school year.
- (20) The Plaza (DST). The asset manager currently estimates that The Plaza on Broadway will be sold in the first half of 2022.
- (21) Darby Row (DST). Darby Row, DST is comprised of two properties, Darby and Belfry, featuring a total of 23-units and 71-beds located less than one-half mile from Notre Dame University. After having suspended on-campus activities for the 2020/21 academic year, Notre Dame has announced a return to in-person classes and activities for the Fall 2021 semester. Book & Ladder Collegiate Experiences has taken over on-sight management of the property and began an aggressive campaign to ensure a successful post-pandemic performance. The property is 65% leased for the Fall 2021 semester and the asset manager is in discussions with the lender to modify the loan due to the impact of COVID-19.
- (22) University Park (LLC). University Park is a 97-unit, 112-bed student-housing property located 0.2 miles from the University of California at Berkeley. University Park is a value-add investment not paying a cash-on-cash return to investors during the property ownership period. As of August 2021, all interior improvements on both buildings were complete and preparations were under way to complete the 1x1 to 2x1 conversions as well as exterior facade improvements.
- (23) Bluegrass (LLC). Bluegrass is a 2009/2011-vintage, 537-bed student-housing property located approximately 0.8 miles from the campus of the University of Kentucky in Lexington. The property was an REO acquisition from Wells Fargo Bank, N.A. At the time of acquisition, occupancy was below market. The property is 76% leased for the Fall 2021 semester and the asset manager is currently exploring the possibility of a sale of the property in the first half of 2022.
- (24) Ruckus (LLC). The Ruckus is a 334-Unit, 976-bed student-housing property located less than 0.25 miles from Washington State University. The LLC was formed to fund capital improvements and does not pay a cash-on-cash return. The property is 65% leased for the Fall 2021 semester.
- (25) Ridge (TIC). In April 2020 the asset manager adjusted the cash-on-cash return in advance of the unknown financial impact of the COVID-19 virus. After having suspended on-campus activities for the 2020/21 academic year, West Virginia University has announced a return to in-person classes and activities for the Fall 2021 semester. On November 17, 2020, Book & Ladder Collegiate Experiences assumed on-site management of the property and began an aggressive campaign to ensure successful post-pandemic operations. The property is 55% leased for the Fall 2021 semester.
- (26) Sawmill (TIC). Sawmill is a student-housing property comprised of 194 units and 392 beds located less than 0.25 miles from Northern Arizona University ("NAU"). The property was acquired in July of 2016. The asset manager has completed a number of improvements meant to potentially grow net operating income, including the ground-up renovation of the clubhouse. Additionally, the asset manager has moved the property's leasing office from its short-term provisional location back into the clubhouse, freeing up the provisional location for two studio leasing units. The asset manager is exploring the possibility of

a sale of the property in the first half of 2022. Distributions, paused due to COVID-19 and the value-add improvements, are anticipated to resume in December 2021.

(27) 9 & 9 (TIC). A sale of 9&9 is anticipated in 2022.

(28) Duck Flats (TIC). Duck Flats is an 8-unit, 40-bed student-housing property located less than one mile from the University of Oregon. The asset manager anticipates the property will be sold during the first half of 2022. The property is 100% occupied for the Fall 2021 semester with 4% year-over-year revenue growth.

(29) Duck Lofts (TIC). Duck Lofts is a 14-Unit, 48-bed student housing property located less than 0.5 miles from the University of Oregon. The mortgage on the property is amortizing. The asset manager anticipates the property will be sold during the first half of 2022. The property is 100% occupied for the Fall 2021 semester.

(30) West Seneca. Eden Heights of West Seneca, an assisted living facility in West Seneca, New York. West Seneca is outside the original PPM's projected holding term. Therefore, there is no projected cash-on-cash for this deal. However, the property continues to pay investors a regular monthly distribution at the rate of the last projected year.

Funds

The Sponsor manages three funds that have invested in student and multi-family housing projects and, to a small extent, assisted living facilities. The funds have also made loans to the Sponsor and its affiliates. The chart below is an overview of the status of the investment funds as of November 15, 2021.

(*) Pre-COVID cash on cash rates are based on distributions made in March 2020. See “Notes to Funds” for greater detail.

(**) Current cash on cash rates are based on distributions made in November 2021. See “Notes to Funds” for greater detail.

Notes to Funds

- (1) Nelson Brothers Student Housing and Assisted Living Holding, LLC. Nelson Brothers Student Housing and Assisted Living Holding, LLC is invested in a well-diversified mix of student-housing and assisted-living assets. The fund is diversified by asset type, geography and, in the case of student housing, by school size, age and enrollment. Prior to the outbreak of the COVID-19 pandemic the fund was making regular monthly distributions consistent with the fund's projections of 7.25%. In April 2020, in response to the impact of COVID, the fund's managers reduced distributions to 2.39%. In August 2020, the fund's managers further reduced distributions to 0%. A gated resumption of distributions has begun at a current rate of 1.0% with the intent to fully restore distributions as soon as practicable.
- (2) NB Student Housing Fund II, LP. NB Student Housing Fund II, LP is invested in a well-diversified mix student housing properties. The fund is diversified by asset type, geography, school size, age and enrollment. Prior to the outbreak of the COVID-19 pandemic the fund was making regular monthly distributions consistent with the fund's projections of 7%. In April 2020, in response to the impact of COVID, the fund's managers reduced distributions to 2.31%. In August 2020, the fund's managers further reduced distributions to 0%. A gated resumption of distributions has begun at a current rate of 1.0% with the intent to fully restore distributions as soon as practicable.
- (3) NB Student Housing Fund III, LLC. NB Student Housing Fund III, LLC is invested in a well-diversified mix student housing properties. The fund is diversified by asset type, geography, school size, age and enrollment. Prior to the outbreak of the COVID-19 pandemic the fund was making regular monthly distributions consistent with the fund's projections of 7%. In April 2020, in response to the impact of COVID, the fund's managers reduced distributions to 2.31%. In August 2020, the fund's managers further reduced distributions to 0%. A gated resumption of distributions has begun at a current rate of 1.0% with the intent to fully restore distributions as soon as practicable.
- (4) Versity Investments Income Fund I, LLC. Varsity Investments Income Fund I, LLC is a short-term income producing fund that provides growth capital to Varsity Investments in a historic time of growth potential. Fund distributions have not been impacted by COVID.

Completed Prior Programs

The following table presents the completed programs sponsored by Versity, or its predecessors, through November 15, 2021. The table reflects the date on which the property was originally purchased and the date it was sold, as well as the purchase and sales price. The table also shows the internal rate of return and the total return.

XII. CONFLICTS OF INTEREST

Loans to Sponsor and Affiliates

The Fund's only investments will be loans made to the Sponsor and its affiliates to fund the purchase of property, fund due diligence and pre-development work for new projects, to pay debt and other expenses of the Sponsor and its affiliates and to fund an interest reserve to pay Noteholders. The financial obligations and interests of the Sponsor and its affiliates may not always be consistent with those of the Investors holding Notes. See "*Risk Factors - Risks Relating to the Fund and its Structure, Operations and Investments*," "*Risk Factors - Risks Relating to Conflicts of Interest*" and "*Investment Program*."

Obligations to Other Entities

The Manager and its affiliates, and their respect principals, owners and executive officers, (i) will have conflicts of interest in allocating management time, services and functions among the various entities with which they are engaged and others that may be organized in the future, and (ii) will devote only so much time as they, in their sole discretion, deem to be reasonably required for the proper management of the Fund and its investments. Such parties believe they have the capacity to discharge their responsibilities, notwithstanding participation in other present and future investment programs and projects. See "*Risk Factors - Risks Relating to the Fund and its Structure, Operations and Investments*."

Interest in Other Activities

The Manager and its affiliates, and their respective principals, owners and executive officers, may engage for their own account, or for the account of others, in other business ventures. Investors holding Notes will not be entitled to any interests in such other activities. See "*Risk Factors - Risks Relating to the Fund and its Structure, Operations and Investments*."

Resolution of Conflicts of Interest

None of the Fund, the Manager or their affiliates have developed, and none expects to develop, any formal process for resolving conflicts of interest. See "*Risk Factors - Risks Relating to the Fund and its Structure, Operations and Investments*" and "*Risk Factors - Risks Relating to Conflicts of Interest*."

XIII. CERTAIN REGULATORY CONSIDERATIONS

Investment Company Act

The Fund is intended to be excluded from the requirements of the Investment Company Act. To the extent that the Fund loans all proceeds to its parent and does not invest in securities, it should not be considered an investment company under the Investment Company Act. Nevertheless, it is conceivable that certain ways in which the Fund's investments are structured could be construed as securities for purposes of the Investment Company Act. The Manager has not sought a no-action letter from the SEC to confirm that the Fund is excluded. Because the Fund will not be a registered investment company, it will not be subject to the restrictions on its activities applicable to registered investment companies under the Investment Company Act. In general, the operation and administration of the Fund will differ significantly from those of registered investment companies, and Investors will not be afforded the benefits and protections provided by registration under the Investment Company Act.

Investment Advisers Act

The Manager is not registered as an investment adviser under the Investment Advisers Act. Among other requirements, the Investment Advisers Act imposes certain disclosure and reporting obligations, custody requirements, fiduciary duties, conflicts of interest rules and compensation restrictions on registered investment advisers, which are intended to protect their clients. Investors will not be afforded the benefits and protections provided by a registered investment adviser under the Investment Advisers Act.

Securities Act

The Securities Act provides, among other things, that no sale of any securities may be made except pursuant to a registration statement which has been filed with the SEC and has become effective, unless such sale (or the security sold) is specifically exempted from registration. Other U.S. and non-U.S. securities laws have analogous provisions, which may impose registration or qualification requirements or other provisions for the protection of investors.

The Notes have not been registered under the Securities Act. This Memorandum has not been reviewed by the SEC, nor has the SEC or any other U.S. or non-U.S. securities commission or regulatory authority approved, passed upon or endorsed the merits of the Offering. The Offering and proposed sale of Notes described herein will be made privately to a limited number of “accredited investors” (as defined in Regulation D under the Securities Act):

- in reliance upon the “private placement” exemption from registration provided in Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated there under or, for investors who are not U.S. persons, Regulation S promulgated under the Securities Act; and
- where available, upon appropriate exemptions from state or foreign registration or qualification requirements.

Each Investor will be required to make customary private placement representations, including representations to the effect that such investor is an “accredited investor” and is acquiring Notes for its own account for investment and not with a view to resale or distribution. Further, each investor must be prepared to bear the risk of an investment in the Notes for an indefinite period of time, since the Notes may not be transferred or resold except as permitted under the Securities Act and any applicable U.S. or non-U.S. securities laws pursuant to registration or an exemption therefrom. It is extremely unlikely that the Notes will ever be registered under the Securities Act.

Notes may not be transferred by Investors except in compliance with the Securities Act and all applicable federal and state securities laws. Such compliance may require the delivery of legal opinions or one or more filings with federal and state authorities. Neither the Fund nor the Manager has any obligation to assist with or participate in any required regulatory filings. The written consent of the Manager, which may be withheld in its sole and absolute discretion, is required for any transfer of Notes.

XIV. ERISA

The following discussion is general in nature and is not intended to be all-inclusive. Accordingly, the following discussion does not address any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or Section 4975 of the Code (collectively, “***Similar Laws***”). Similar Laws governing the investment and management of the assets of governmental, church or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and Section 4975 of the Code (as discussed below). Accordingly, fiduciaries of such governmental, church or non-U.S. plans, in consultation with their advisors, should consider the impact of the laws and regulations applicable to them on an investment in the Fund and the considerations discussed herein, if applicable.

As a general rule under the Employee Retirement Income Security Act, a qualified pension or profit-sharing plan (a “***Qualified Plan***”) that invests in an entity is deemed to own an undivided interest in the assets of the entity unless one of four broad exemptions applies. (29 C.F.R. §2510.3-101 (the “***Plan Asset Regulation***”).) One of those four exemptions is for an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. The Fund believes that the Notes qualify as indebtedness for purposes of Plan Asset Regulation. Qualified Plans purchasing Notes should not have to treat assets of the Fund as plan assets.

Prospective investors that are subject to the provisions of Title I of ERISA or Section 4975 of the Code (or other plans that are subject to Similar Laws) should consult with their counsel and advisors as to the provisions of ERISA or Section 4975 of the Code (or Similar Laws), as applicable, before making an investment in the Notes.

XV. MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT (1) ANY DISCUSSION IN THIS MEMORANDUM RELATED TO U.S. FEDERAL INCOME TAX ISSUES IS NOT INTENDED OR WRITTEN TO BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON SUCH TAXPAYER; (2) ANY SUCH DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES; AND (3) EACH TAXPAYER SHOULD SEEK ADVICE REGARDING AN INVESTMENT IN THE NOTES BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary discussion of certain U.S. federal income tax considerations relating to an investment in the Notes. This discussion is based on provisions of the Code, on the regulations promulgated thereunder and on published administrative rulings and judicial decisions in effect on the date hereof, all of which are subject to change or different interpretations. No assurance can be given that future legislation, administrative rulings or court decisions will not modify the conclusions set forth in this summary. This summary does not set forth all of the possible tax considerations or consequences of acquiring, owning or disposing of the Notes and does not include a detailed discussion of any state, local or foreign tax considerations. This summary also does not purport to deal with tax consequences applicable to those categories of Investors that are subject to special rules, such as banks, insurance companies, dealers and other investors that do not own their Notes as capital assets, broker dealers, states or political subdivisions thereof (including sovereign wealth funds and pension or retirement plans of states or political subdivisions thereof), foreign governments or agencies or instrumentalities thereof (including pension or retirement plans of foreign governments or agencies or instrumentalities thereof), tax-exempt organizations and foreign investors. The actual tax and financial consequences of the purchase and ownership of the Notes will vary depending upon the Investor's circumstances.

The Notes are intended to be indebtedness for federal income tax purposes. There is no definition of debt under the Internal Revenue Code. Instead, the Code gives a number of factors that identify debt vs. equity.

- (1) Whether there is a written unconditional promise to pay on demand or on a specified date a sum certain in money in return for an adequate consideration in money or money's worth, and to pay a fixed rate of interest;
- (2) Whether there is subordination to or preference over any indebtedness of the corporation;
- (3) The ratio of debt to equity of the corporation;
- (4) Whether there is convertibility into the stock of the corporation; and
- (5) The relationship between holdings of stock in the corporation and holdings of the interest in question. (26 U.S.C. Sec. 385(b).)

The Notes are written unconditional promises to pay on a specified date a sum certain of money at a fixed rate of interest. The Notes are not subordinated to any other class of the Fund's debt. The Fund's debt to equity ratio is 100:1. While that ratio would indicate a very thin capitalization, the Fund believes that its capital is sufficient to provide for its foreseeable operating needs other than the repayment of the Notes, the repayment of which is wholly contingent on the payment to the Fund of its loans to the Sponsor and its affiliates. That relationship puts the Fund in a position similar to a bank, where the return on deposit accounts is dependent on the payments to the bank of loans that the bank makes to its borrowers. (See, e.g., *Estate of Mixon v. United States*, 464 F.2d 394 (5th Cir. 1972).)

The Notes are not convertible into equity. There is no intentional correlation between the holdings of the Fund's equity and the holdings of the Notes. Based on the foregoing, the Fund believes that it is more likely than not that the Notes will be treated as debt for federal income tax purposes. Based on that conclusion, the interest on the Notes will be treated as interest and not as distributions from the Fund.

Note holders that are pension plans, IRAs and other tax-exempt or qualified plans (other than voluntary employee benefit associations described in Code Section 501(c)(9)) should be able to exclude the interest income from their computation of unrelated business income — except for such tax-exempt investors that borrow to acquire or hold their Notes.

EXHIBIT A

**VERSITY INVESTMENTS INCOME FUND II, LLC
INSTRUCTIONS AND NOTE PURCHASE AGREEMENT**

For 24- Month 9% / 10% / 13% Notes Issued by Versity Investments Income Fund II, LLC

Before deciding to subscribe, please read carefully the Confidential Private Placement Memorandum dated November 18, 2021 (including all Exhibits and supplements thereto, the “**Memorandum**”) for the sale of 24-Month, 9% Notes (the “**Notes**”) of Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “**Fund**”). Notes purchased prior to January 18, 2022 will bear interest at a rate of 10% per annum. Defined terms not otherwise defined herein shall have the meanings given to them in the Memorandum. Notes purchased after March 15, 2023 will bear interest at a rate of 13% per annum.

EACH PROSPECTIVE INVESTOR IN NOTES SHOULD EXAMINE THE SUITABILITY OF THIS TYPE OF INVESTMENT IN THE CONTEXT OF HIS/HER/ITS OWN NEEDS, INVESTMENT OBJECTIVES AND FINANCIAL CAPABILITIES AND SHOULD MAKE HIS/HER/ITS OWN INDEPENDENT INVESTIGATION AND DECISION AS TO SUITABILITY AND AS TO THE RISK AND POTENTIAL GAIN INVOLVED. ALSO, EACH PROSPECTIVE INVESTOR IN NOTES MUST CONSULT WITH HIS/HER/ITS ATTORNEY, ACCOUNTANT, FINANCIAL CONSULTANT OR OTHER BUSINESS OR TAX ADVISER REGARDING THE RISKS AND MERITS OF THE PROPOSED INVESTMENT.

This Offering is limited to investors who satisfy the qualifications set forth in the Memorandum for the purchase of Notes.

If you satisfy those qualifications and desire to purchase Notes, then please complete, sign and deliver the attached Note Purchase Agreement (the “**Note Purchase Agreement**”) along with your check payable to the order of “Versity Investments Income Fund II, LLC” in the amount of the purchase price for the Notes purchased as follows:

Versity Investments Income Fund II, LLC
c/o Versity Investments, LLC
20 Enterprise, Suite 400
Aliso Viejo, CA 92656
Attn: Investor Relations

Upon receipt of the completed and signed Note Purchase Agreement, verification of your investment qualifications and acceptance of your subscription by the Fund and Versity Investments, LLC (the “**Manager**”) (the Manager reserves the right, in its sole discretion, to accept or reject a subscription for any reason whatsoever), the Manager will notify you of receipt and acceptance of your subscription. If a subscription is not accepted, the purchase price will be returned without interest.

NOTE PURCHASE AGREEMENT
24-Month, 9% / 10% / 13% Notes Issued By
Versity Investments Income Fund II, LLC

Date executed by Investor(s): _____, 202__

This is the offer and agreement (this “*Note Purchase Agreement*”) of the undersigned to purchase 24-Month, 9% Notes (“*Notes*”) (Notes purchased prior to January 18, 2022 will bear interest at a rate of 10% per annum) (Notes purchased after March 15, 2023 will bear interest at a rate of 13% per annum) to be issued by Varsity Investments Income Fund II, LLC, a Delaware limited liability company (the “*Fund*”) (\$50,000 minimum), for a total purchase price of \$_____ (the “*Subscription Price*”), subject to the terms, conditions, acknowledgments, representations and warranties stated herein and in the Memorandum relating to the offer of up to \$15,000,000 in Notes issued by the Fund, subject to increase to \$20,000,000. Simultaneously with the execution and delivery hereof, the undersigned is transmitting a check payable to the order of “Varsity Investments Income Fund II, LLC” in the amount of the Subscription Price for the Notes he, she or it is purchasing. The undersigned acknowledges that he, she or it will hold the Notes in “book entry” form and that no paper certificates evidencing the Notes will be issued. Defined terms not otherwise defined herein shall have the meanings given to them in the Memorandum.

The undersigned hereby adopts, confirms and agrees to all of the covenants, representations and warranties set out in this Note Purchase Agreement. Further, in order to induce the Manager to accept this Note Purchase Agreement for Notes and as further consideration for such acceptance, the undersigned hereby makes the following acknowledgments, representations and warranties with the full knowledge that the Manager will expressly rely thereon in making a decision to accept or reject this Note Purchase Agreement:

1. The undersigned’s primary state of residence is: _____.
2. The undersigned’s date of birth is: _____.
3. The following information, is required in order that the Fund may accurately determine if the undersigned prospective investor is an “Accredited Investor,” as defined in Rule 501(a) of Regulation D under the Securities Act of 1934 and, if applicable, whether the undersigned prospective investor is a Benefit Plan Investor (defined below).

The undersigned represents that the undersigned meets the requirements of the initialed categories: **(PLEASE INITIAL ALL CATEGORIES THAT APPLY)**

- (a) _____ The undersigned is a natural person whose net worth, or joint net worth with the undersigned’s spouse, at this time is in excess of \$1,000,000, provided that for purposes of calculating such net worth (A) the undersigned’s primary residence shall not be included as an asset; (B) indebtedness that is secured by the undersigned’s primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the undersigned’s acquisition of Notes, shall not be included as a liability, *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the undersigned’s acquisition of Notes exceeds the amount of indebtedness outstanding sixty days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the undersigned takes out a home equity loan that is not used to acquire a primary residence during such sixty-day time frame), the amount of such new indebtedness shall be included as a liability; and (C) indebtedness that is secured by the undersigned’s primary residence is in excess of the estimated fair market value of the primary residence shall be included as a liability.
- (b) _____ The undersigned is a natural person whose individual income was in excess of \$200,000 in each of the two most recent years, or whose joint income with the undersigned’s spouse was in excess of \$300,000 for each of those years, and the undersigned has a reasonable expectation of reaching an equal or greater income level in the current year.
- (c) _____ The undersigned is a natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status.

- (d) _____ The undersigned is an entity owned entirely by Accredited Investors.
- (e) _____ The undersigned is a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended.
- (f) _____ The undersigned is an investment company registered under the Investment Company Act or a “business development company” (as defined in Section 2(a)(48) of the Investment Company Act).
- (g) _____ The undersigned is a small business investment company licensed by the Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended.
- (h) _____ The undersigned is a Rural Business Investment Company as defined in Section 384A of the Consolidated Farm and Rural Development Act.
- (i) _____ The undersigned is a bank as defined in Section 3(a)(2) of the Securities Act, any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity, or any insurance company as defined in Section 2(13) of the Securities Act.
- (j) _____ The undersigned is an investment adviser registered pursuant to Section 203 of the Investment Advisers Act or registered pursuant to the laws of a state or an investment adviser relying on the exemption from registering with the SEC under Section 203(l) or (m) of the Investment Advisers Act.
- (k) _____ The undersigned is one of the following (a) a family office, as defined in Rule 202(a)(11)(G)-1 of the Investment Advisers Act, with assets under management in excess of \$5,000,000, that is not formed for the specific purpose of acquiring an Interest, and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of an investment in an Interest, or (b) a family client, as defined in Rule 202(a)(11)(G)-1 of the Investment Advisers Act, of a family office meeting the requirements described in the preceding clause (a) and whose purchase is directed by such family office.
- (l) _____ The undersigned is a “Private Business Development Company” as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
- (m) _____ The undersigned is a corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered hereby, with total assets in excess of \$5,000,000.
- (n) _____ The undersigned is a trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered hereby, whose purchase is directed by a “sophisticated person,” as defined in Rule 506(b)(2)(ii) of Regulation D under the Securities Act.

Furthermore, the undersigned represents that the undersigned meets the requirements of the initialed category:
(INITIAL AND COMPLETE THE APPLICABLE CATEGORY)

- (a) _____ The undersigned is purchasing Notes with funds that constitute, directly or indirectly, the assets of a Benefit Plan Investor (defined below). The undersigned hereby represents and warrants that its investment in the Property: (i) does not violate and is not otherwise inconsistent with the terms of any legal document constituting or governing the employee benefit plan; (ii) has been duly authorized and approved by all necessary parties; and (iii) is in compliance with all applicable laws; or
- (b) _____ The undersigned is not purchasing Notes with funds that constitute, directly or indirectly, the assets of a Benefit Plan Investor (defined below).

The term Benefit Plan Investor means a benefit plan investor within the meaning of U.S. Department of Labor Regulation 29 C.F.R. Section 2510.3-101, which includes (i) any employee benefit plan (as defined in Section 3(3) of ERISA), whether or not such plan is subject to Title I of ERISA (which includes both U.S. and Non-U.S. plans, plans of governmental entities as well as private employers, church plans and certain assets held in connection with nonqualified deferred compensation plans); (ii) any plan described in Code Section 4975(e)(1) (which includes a trust described in Code Section 401(a) which forms a part of a plan, which trust or plan is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account described in Code Sections 408(a) or 408A, an individual retirement annuity described in Code Section 408(b), a medical savings account described in Code Section 220(d), and an education individual retirement account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because 25 percent or more of a class of interests in the entity is owned by plans). Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered "plan assets" and the assets of any insurance company separate account or bank common or collective trust in which plans invest. 100% of an Investor's Notes whose underlying assets include "plan assets," such as a fund investor, shall be treated as "plan assets" by the Trustees for purposes of meeting an exemption under the Department of Labor regulation.

4. Under penalties of perjury, the undersigned certifies:
 - (a) that the number shown on this form is the undersigned's correct taxpayer identification number; and
 - (b) that the undersigned is not subject to backup withholding because (check one):

_____ the undersigned has not been notified that it is subject to backup withholding as a result of a failure to report all interest or dividends; or

_____ The Internal Revenue Service has notified the undersigned that it is no longer subject to backup withholding.
5. The undersigned further represents and warrants that its investment in Notes is not disproportionate to its income or available liquid funds and that the undersigned further has the capacity to protect its interests in connection with the purchase of Notes.
6. The undersigned understands that, if this Note Purchase Agreement is not accepted by the Manager, then funds transmitted herewith shall be returned to the undersigned (without interest), and this Note Purchase Agreement shall be terminated and of no further effect. The Manager may accept subscriptions until the earlier of the date on which a combined \$15,000,000 of Notes, subject to increase to \$20,000,000 are sold or November 15, 2022, which date may be extended to May 15, 2023 in the sole discretion of the Manager.
7. The undersigned acknowledges that it has received, read and fully understands the Memorandum. The undersigned acknowledges that it is basing its decision to invest in Notes on the Memorandum, and the undersigned has relied only on the information contained therein and have not relied on any representation made by any other person. The undersigned recognizes that an investment in Notes involves substantial risk, and the undersigned is fully cognizant of and understand all of the risk factors related to the purchase of Notes, including, without limitation, those risks set forth in the sections of the Memorandum titled "*Risk Factors*."
8. The undersigned's overall commitment to investments that are not readily marketable is not disproportionate to the undersigned's net worth, and an investment in Notes will not cause such overall commitment to become excessive. The undersigned has adequate means of providing for its financial requirements, both current and anticipated, and has no need for liquidity in this investment. The undersigned can bear and am willing to accept the economic risk of losing its entire investment in Notes.
9. The undersigned acknowledges that the sale of Notes has not been accompanied by any general solicitation or advertisement or as the direct result of an investment seminar sponsored by the Fund, the Sponsor or any of their affiliates.
10. All information that the undersigned has provided to the Manager and the Fund herein concerning the undersigned's suitability to invest in Notes is complete, accurate and correct as of the date of its signature on this Note Purchase Agreement. The undersigned hereby agrees to notify the Fund immediately of any material

change in any such information occurring before the acceptance of this Note Purchase Agreement, including any information about changes concerning the undersigned's net worth and financial position.

11. The undersigned has had the opportunity to ask questions of, and receive answers from, the Fund and the Sponsor concerning the Fund, the creation, operation and investment objectives of the Fund and the Sponsor and the terms and conditions of the offering of Notes and to obtain any additional information deemed necessary to verify the accuracy of the information contained in the Memorandum. The undersigned has been provided with all materials and information requested by either the undersigned or others representing the undersigned, including any information requested to verify any information furnished to the undersigned.
12. The undersigned is purchasing Notes for its own account and for investment purposes only and has no present intention, understanding or arrangement for the distribution, transfer, assignment, resale or subdivision of Notes. The undersigned understands that, due to the restrictions referred to in Paragraph 18 below and described in the Memorandum and the lack of any market existing or to exist for the Notes, an investment in the Notes will be highly illiquid and may have to be held indefinitely.
13. The undersigned understands that legends will be placed on any certificates (if any) evidencing the Notes with respect to restrictions on distribution, transfer, resale, assignment or subdivision of Notes imposed by applicable federal and state securities laws. The undersigned is fully aware that Notes subscribed for hereunder have not been registered with the United States Securities and Exchange Commission in reliance on an exemption specified in Regulation D, which reliance is based in part on my representations set forth herein. The undersigned understands that the Notes subscribed for herein have not been registered under applicable state securities laws and are being offered and sold pursuant to the exemptions specified in those laws and that, unless they are registered, they may not be re-offered for sale or resold except in a transaction or as a security exempt from the registration requirements of those laws. The undersigned further understands that the specific approval of such resales by the state securities administrator may be required in some states and that the consent of the Manager may be required.
14. This Note Purchase Agreement shall be construed in accordance with and governed by the laws of the State of Delaware without regard to its choice of law provisions, except as to the type of registration of ownership of Notes, which shall be construed in accordance with the state of principal residence of the subscribing investor.
15. NOTES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH STATE LAWS. THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.
16. THE UNDERSIGNED HEREBY COVENANTS AND AGREES THAT ANY DISPUTE, CONTROVERSY OR OTHER CLAIM ARISING UNDER, OUT OF OR RELATING TO THIS NOTE PURCHASE AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, OR ANY AMENDMENT THEREOF, OR THE BREACH OR INTERPRETATION HEREOF OR THEREOF, SHALL BE DETERMINED AND SETTLED IN BINDING ARBITRATION IN ORANGE COUNTY, CALIFORNIA, BY A SOLE ARBITRATOR IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA FOR AGREEMENTS MADE IN AND TO BE PERFORMED IN THAT STATE. THE ARBITRATION SHALL BE ADMINISTERED BY JAMS PURSUANT TO ITS STREAMLINED ARBITRATION RULES AND PROCEDURES. THE SUBSTANTIALLY PREVAILING PARTY SHALL BE ENTITLED TO AN AWARD OF ITS REASONABLE COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEYS' FEES AND COSTS, IN ADDITION TO ALL OTHER AVAILABLE REMEDIES. ANY AWARD RENDERED THEREIN SHALL BE FINAL AND BINDING ON EACH AND ALL OF THE PARTIES THERETO AND THEIR PERSONAL REPRESENTATIVES, AND JUDGMENT MAY BE ENTERED THEREON IN ANY COURT OF COMPETENT JURISDICTION.

Investor's Initials: _____

17. The undersigned hereby agrees to indemnify, defend and hold harmless the Fund, the Sponsor, the Manager and their respective affiliates (and all of their respective members, managers, shareholders, officers, employees, affiliates and advisers) from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of my failure to fulfill all of the terms and conditions of this Note Purchase Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other document that the undersigned has furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) incurred by the Fund, the Sponsor, the Manager and their respective affiliates (or any of their respective members, managers, shareholders, officers, employees, affiliates or advisers) defending against any alleged violation of federal or state securities laws that is based on or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other document that the undersigned has furnished in connection with this transaction.
18. The undersigned hereby acknowledges and agrees that: (a) the undersigned may not transfer or assign this Note Purchase Agreement, or any interest herein, and any purported transfer shall be void; (b) except as specifically described herein, the undersigned is not entitled to cancel, terminate or revoke this Note Purchase Agreement, and this Note Purchase Agreement will be binding on the undersigned's heirs, successors and personal representatives; *provided, however*, that, if the Manager rejects this Note Purchase Agreement, then this Note Purchase Agreement shall be automatically canceled, terminated and revoked; (c) this Note Purchase Agreement constitutes the entire agreement among the parties hereto with respect to the sale of Notes and may be amended, modified or terminated only by a writing executed by all parties (except as provided herein with respect to the rejection of this Note Purchase Agreement by the Fund); (d) within two (2) days after receipt of a written request from the Fund, the undersigned agrees to provide such information and to execute and deliver such documents as may be necessary to comply with any and all laws and regulations to which the Fund is subject; and (e) the representations and warranties of the undersigned set forth herein shall survive the sale of Notes pursuant to this Note Purchase Agreement.
19. The undersigned is not making this investment in any manner as a representative of a charitable remainder unitrust or a charitable remainder trust.
20. By executing this Note Purchase Agreement, the undersigned acknowledges and agrees that it has read and considered the Memorandum, including but not limited to the Investor Suitability Requirements and the Risk Factors, which, among other things, set forth the risk of the potential for conflicts of interest created by the relationships between the parties with respect to the sale of Notes. The undersigned acknowledges that it has considered the possibilities of conflicts of interest arising from the relationships between the parties in deciding whether to invest in Notes and that it has determined that an investment in Notes is suitable for it based on its financial circumstances, knowledge and goals. **The undersigned further acknowledges that it has had the opportunity to consult an independent tax adviser, attorney and/or an accountant regarding these matters and this Offering and have independently decided to purchase Notes.**

[Registration Information and Signature Pages Follow]

INVESTOR
REGISTRATION
INFORMATION

Please print the exact title (registration) and address the undersigned desires on the account. In the case of a corporation, trust or other entity, the undersigned should use the full name of such entity and include the name and title of the signatory for such entity (*i.e.*, Trustee, President, Manager, etc.) **Please also complete the appropriate EXECUTION section below for the registered entity type, *e.g.*, Spouses or Limited Liability Company. Organizational documents of any investor that is an entity must be included with this Note Purchase Agreement:**

Name: _____

Purchaser Address: _____

Work (____) _____ Home (____) _____

Fax (____) _____ Cell (____) _____

Primary State of Residence: _____

Federal Tax ID Number/Social Security Number: _____

E-Mail Address: _____

* Please **do not** use a P.O. Box address. A street address is required to send documents via overnight delivery.

DISTRIBUTIONS Please indicate to whom distributions should be sent, if not to the address set forth above. **The Fund requires that distributions be made via direct deposit; please complete the attached Authorization Agreement for Direct Deposit (ACH Credits).**

Name: _____

Address: _____

**SIGNATURE
PAGES**

Please sign this Note Purchase Agreement by completing the appropriate section below:

INDIVIDUAL AND/OR JOINT OWNER If the prospective investor is an INDIVIDUAL and/or JOINT OWNER, please complete the following:

Signature of Investor _____ (if applicable)
Signature of Joint Owner

Name (please print or type) _____ (if applicable)
Name of Joint Owner

Social Security Number _____ (if applicable)
Social Security Number of
Joint Owner

State of Legal Residence

TRUST

If the prospective investor is a TRUST (excluding trusts that are Benefit Plan Investors), complete the following:

The undersigned hereby represents, warrants and agrees that: (i) the undersigned trustee(s) is duly authorized by the terms of the trust instrument (the “***Trust Instrument***”) for the trust (“***trust***”) set forth below to acquire Notes; (ii) the undersigned, as trustee(s), has all requisite power and authority to acquire Notes for the trust; and (iii) the undersigned trustee(s) is authorized by the trust to execute this Note Purchase Agreement. **The undersigned trustee(s) encloses a true copy of the Instrument of said trust, as amended to date, and, as necessary, the resolutions of the trustees authorizing the purchase of Notes.**

Name of trust (please type or print)

By: _____ By: _____

Print Name: _____ Print Name: _____

Title (check one): ☐ Trustee(s) ☐ Co-Trustee(s)

Federal Employer ID Number

State of Formation

LIMITED
LIABILITY
COMPANY

If the prospective investor is a LIMITED LIABILITY COMPANY, complete the following:

The undersigned hereby represents, warrants, and agrees that: (i) the undersigned is either the authorized manager or all of the members of the limited liability company named below (the “***LLC***”); (ii) the undersigned has been duly authorized by the LLC to acquire Notes and has all requisite power and authority to acquire Notes; and (iii) the undersigned is authorized by the LLC to execute this Note Purchase Agreement. **The undersigned encloses a true copy of the limited liability company agreement of the LLC, as amended to date, together with a current and complete list of all members and managers and, as necessary, the resolutions of the LLC authorizing the purchase of Notes.**

Name of LLC (please type or print)

By: _____

Print Name: _____

Title (check one): ☐ Member ☐ Manager ☐ Managing Member

Federal Employer ID Number

State of Formation

PARTNERSHIP

If the prospective investor is a PARTNERSHIP, complete the following:

The undersigned hereby represents, warrants, and agrees that: (i) the undersigned is a general partner of the partnership named below (the “**Partnership**”); (ii) the undersigned general partner has been duly authorized by the Partnership to acquire Notes and the general partner has all requisite power and authority to acquire Notes; and (iii) the undersigned general partner is authorized by the Partnership to execute this Note Purchase Agreement. **The undersigned general partner encloses a true copy of the Partnership Agreement of the Partnership, as amended to date, together with a current and complete list of all partners and, as necessary, the resolutions of the Partnership authorizing the purchase of Notes.**

Name of Partnership (please print or type)

By:_____

Print Name:_____

Title: General Partner

Federal Employer ID Number

State of Formation

CORPORATION

If the prospective investor is a CORPORATION, complete the following:

The undersigned hereby represents, warrants and agrees that: (i) the undersigned has been duly authorized by all requisite action on the part of the corporation listed below (the “**Corporation**”) to acquire Notes; (ii) the Corporation has all requisite power and authority to acquire Notes; and (iii) the undersigned officer of the Corporation has authority under the Articles of Incorporation, Bylaws, and resolutions of the Board of Directors of the Corporation to execute this Note Purchase Agreement. **The undersigned officer encloses a true copy of the Articles of Incorporation, the Bylaws and, as necessary, the resolutions of the Board of Directors authorizing a purchase of Notes, in each case as amended to date.**

Name of Corporation (please type or print)

By:_____

Print Name:_____

Title:_____

Federal Employer ID Number

State of Formation

BENEFIT PLAN
INVESTOR

If the prospective investor is a BENEFIT PLAN INVESTOR (as defined in question 3, above), complete the following:

The undersigned hereby represents, warrants and agrees that: (i) the undersigned is duly authorized by the terms of the investor's governing instrument trust instrument (the "**Governing Instrument**") for the entity ("**entity**") set forth below to acquire Notes; (ii) the entity has all requisite power and authority to acquire Notes; and (iii) the undersigned has authority under the Governing Instrument to execute this Note Purchase Agreement. **The undersigned encloses a true copy of the Governing Instrument of the entity, as amended to date, and, as necessary, any resolutions authorizing the purchase of Notes.**

Name of entity (please type or print)

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Federal Employer ID Number

State of Formation

Subscription Accepted: Versity Investments Income Fund II, LLC,
a Delaware limited liability company

By: Versity Investments, LLC,
a Delaware limited liability company,
its Manager

By: _____

Name: _____

Title: _____

Date: _____, 202__

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSITS (ACH CREDITS)

Individual/Trust/Company Name: _____

Individual/Trust/Company Tax ID Number: _____

The undersigned hereby authorizes Versity Investments Income Fund II, LLC, or its designee, hereinafter called the "Fund," to initiate credit entries to the undersigned's ___ Checking Account / ___ Savings Account (select one) at the depository financial institution named below, hereinafter called the "Depository," and to credit the undersigned's distributions to such account. The undersigned acknowledges that the origination of ACH transactions to the undersigned's account must comply with the provisions of U.S. law.

Depository

Name: _____

Branch: _____

City: _____

State: _____ Zip: _____

Bank Account Name: _____

Routing
Number: _____

Account
Number: _____

This authorization is to remain in full force and effect until the Fund has received written notification from the undersigned (or either of the undersigned) of its termination in such time and in such manner as to afford the Fund and the Depository a reasonable opportunity to act on it.

Name(s): _____

Tax ID Number: _____

Date: _____

Signature: _____

If the undersigned authorizing a direct ACH credit, please attach a voided check for the account listed above.

BROKER/DEALER REPRESENTATIONS AND WARRANTIES

Standards of suitability have been established by Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “**Fund**”) and fully disclosed in the section of the private placement memorandum for the Fund entitled “*Who May Invest.*” Prior to recommending purchase of 24-month, 9% Notes issued by the Fund (the “**Notes**”), we have reasonable grounds to believe, on the basis of information supplied by the investor named below (the “**Investor**”) concerning his, her or its investment objectives, other investments, financial situation and needs, and other pertinent information that: (i) the Investor is an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act; (ii) the Investor meets any additional standards established by the Fund; (iii) the Investor has a net worth and income sufficient to sustain the risks inherent in an investment in the Notes, including loss of the entire investment and lack of liquidity; and (iv) the Notes are otherwise a suitable investment for the Investor. We will maintain in our files documents disclosing the basis upon which the suitability of the Investor was determined.

We verify that the above subscription either does not involve a discretionary account or, if so, that we have made the Investor aware, prior to subscribing for the Notes of the risks entailed in investing in the Notes.

Investor Name: _____

Broker/Dealer Firm Name: _____

Registered Representative: _____

(Please Print)

Registered Representative's BRANCH ADDRESS, City, State, Zip

Branch Phone Number: (_____) _____

E-mail address: _____

I hereby certify that I am registered in _____, the state of sale.

Signature of Registered Representative

Signature of Principal

REGISTERED INVESTMENT ADVISOR REPRESENTATIONS AND WARRANTIES

Standards of suitability have been established by Versity Investments Income Fund II, LLC, a Delaware limited liability company (the “**Fund**”) and fully disclosed in the section of the private placement memorandum for the Fund entitled “WHO MAY INVEST.” Prior to recommending purchase of 24-month, 9% notes issued by the Fund (the “**Notes**”), we have reasonable grounds to believe, on the basis of information supplied by the investor named below (the “**Investor**”) concerning his, her or its investment objectives, other investments, financial situation and needs, and other pertinent information that: (i) the Investor is an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act; (ii) the Investor meets any additional standards established by the Fund; (iii) the Investor has a net worth and income sufficient to sustain the risks inherent in an investment in Notes, including loss of the entire investment and lack of liquidity; and (iv) Notes are otherwise a suitable investment for the Investor. We will maintain in our files documents disclosing the basis upon which the suitability of the Investor was determined.

We verify that the above subscription either does not involve a discretionary account or, if so, that we have made the Investor aware, prior to subscribing for Notes of the risks entailed in investing in Notes.

Investor Name: _____

Advisory Firm Name: _____

IA Representative: _____
(Please Print)

Registered Investment Advisor's ADDRESS, City, State, Zip

IA Phone Number: (_____) _____

E-mail address: _____

Signature of Registered Investment Advisor

Signature of Supervising Principal

EXHIBIT B

[FORM OF] GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (the “**Guaranty**”) is executed as of November __, 2021, by Versity Investments, LLC, a Delaware limited liability company, having an address at 20 Enterprise, Suite 400, Aliso Viejo, California 92656 (“**Guarantor**”), for the benefit of the holders (“**Note Holders**”) of those certain 24-month, 9% notes (notes purchased prior to January 18, 2022 will bear interest at 10% per annum) (Notes purchased after March 15, 2023 will bear interest at a rate of 13% annum.) issued by Versity Investments Income Fund II, LLC, a Delaware limited liability company (“**Borrower**”).

W I T N E S S E T H:

WHEREAS, pursuant to those certain note purchase agreements executed by Borrower (collectively, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time, the “**Notes**”), Borrower has become indebted, and may from time to time be further indebted, to Note Holders.

NOW, THEREFORE, as an inducement to Note Holders to purchase the Notes, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I

NATURE AND SCOPE OF GUARANTY

1.1 **Guaranty of Obligation.** Guarantor hereby irrevocably guarantees to Note Holders the payment and performance of the Guaranteed Obligations as and when the same shall be due and payable, whether by lapse of time, by acceleration of maturity or otherwise. Guarantor hereby covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor. All such guarantees are subject to the claims paying ability of the Guarantor at the time of any such claim.

1.2 **Definition of Guaranteed Obligations.** As used herein, the term “Guaranteed Obligations” means all obligations and liabilities of Borrower as set forth in the Notes.

1.3 **Nature of Guaranty.** This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of Guarantor to Note Holders with respect to the Guaranteed Obligations.

1.4 **Payment By Guarantor.** If all or any part of the Guaranteed Obligations shall not be punctually paid when due, whether at demand, maturity, acceleration or otherwise, Guarantor shall, immediately upon demand by Note Holders, pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to the Note Holders at the Note Holders’ addresses as set forth in the Notes.

1.5 **Waivers.** Guarantor agrees to the provisions of the Loan Documents, and hereby waives notice of, and any rights of consent to: (a) any loans or advances made by the Note Holders to Borrower, (b) acceptance of this Guaranty, (c) any amendment or extension of the Notes, (d) the execution and delivery by Borrower and the Note Holders of any other loan or credit agreement or of Borrower’s execution and delivery of any promissory notes or other documents arising under the Loan Documents or in connection with the Property, and (e) the occurrence of any breach by Borrower.

1.6 **Effect of Bankruptcy.** In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, the Note Holders must rescind or restore any payment, or any part thereof, received by the Note Holders in satisfaction of the Guaranteed

Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by the Note Holders shall be without effect, and this Guaranty shall remain in full force and effect.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTOR'S OBLIGATIONS

Guarantor hereby consents and agrees to each of the following, and agrees that Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any common law, equitable, statutory or other rights (including without limitation rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:

2.1 **Modifications.** Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations or the Notes.

2.2 **Adjustment.** Any adjustment, indulgence, forbearance or compromise that might be granted or given by the Note Holders to Borrower.

2.3 **Condition of Borrower or Guarantor.** The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, Guarantor or any other party at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Borrower or Guarantor, or any sale, lease or transfer of any or all of the assets of Borrower or Guarantor, or any changes in the shareholders, partners or members of Borrower or Guarantor; or any reorganization of Borrower or Guarantor.

2.4 **Release of Obligors.** Any full or partial release of the liability of Borrower on the Guaranteed Obligations, or any part thereof.

2.5 **Merger.** The reorganization, merger or consolidation of Borrower into or with any other corporation or entity.

2.6 **Preference.** Any payment by Borrower to the Note Holders is held to constitute a preference under bankruptcy laws, or for any reason the Note Holders are required to refund such payment or pay such amount to Borrower or someone else.

ARTICLE III

MISCELLANEOUS

3.1 **Notices.** All notices, requests and other communications provided for herein shall be in writing and shall be deemed to have been given for all purposes (i) three (3) days after having been sent by United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed to the Guarantor at its address as stated below or to the Noteholders at the respective addresses set forth in the Notes, or (ii) one (1) day after having been sent by Federal Express, United Parcel or other nationally recognized air courier service.

Guarantor: Versity Investments, LLC
20 Enterprise, Suite 400
Aliso Viejo, California 92656
Attention: Legal Department

3.2 **Governing Law.** This Guaranty shall be governed, construed, applied and enforced in accordance with the laws of the State of California and the applicable laws of the United States of America.

[NO FURTHER TEXT ON THIS PAGE]

EXECUTED as of the day and year first above written.

GUARANTOR:

Versity Investments, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: Authorized Signatory