



## Instruction Sheet

### SFG Income Fund VII, LLC - Class BD Units

#### **Subscription Agreement (Part I) & (Part II), Broker/Dealer Representations and Warranties, ACH Authorization, Trustee Certification & TOD Registration & Agreement**

1. Fill out the Subscription Agreement (Part I) and (Part II) **COMPLETELY**.
  - a. **Keep in mind that investors must qualify as "accredited investors," as such term is defined under the rules and regulations of the United States Securities and Exchange Commission as described in the Private Placement Memorandum "Who May Invest" section on page 1.** Please **sign** as subscriber in Part I to affirm this understanding.
  - b. Under Part II, please fill in your Registration Information in Section A. After you have determined your Form of Ownership in Section B, please read the information to the right which designates what additional documentation, if any, is necessary. Complete the remaining Sections of Part II, as appropriate. **Please review Sections F, G and H for required signatures.**
2. Your Registered Representative and Broker/Dealer Firm should complete the "Broker/Dealer Representations and Warranties" which follows the Subscription Agreement.
3. Complete the ACH Authorization form if you would like your Member Distributions electronically deposited into your bank account.
4. Complete the Trustee Certification if Form of Ownership is Trust.
5. Complete the Transfer on Death Registration & Agreement if Form of Ownership includes TOD.
6. **Make check payable to: "Puget Sound Bank, as Escrow Agent for SFG Income Fund VII, LLC"** or by wire to Puget Sound Bank. Wiring instructions are available upon request.
7. After processing by your Registered Representative and Broker/Dealer firm, please forward paperwork and check to:

SFG Income Fund VII, LLC  
Attn: SFG Investor Services  
188 106<sup>th</sup> Avenue N.E. Suite 600  
Bellevue, WA 98004  
425-455-1733  
888-734-3863

# SFG INCOME FUND VII, LLC

## Class BD Units

### INSTRUCTIONS TO INVESTORS AND SUBSCRIPTION AGREEMENT

Please read carefully the Amended and Restated Confidential Private Placement Memorandum of Class BD Units in SFG Income Fund VII, LLC dated August 1, 2016, and all Exhibits and supplements thereto (the “Memorandum”) before deciding to subscribe.

**You should examine the suitability of this type of investment in the context of your own needs, investment objectives, and financial capabilities and should make your own independent investigation and decision as to suitability and as to the risk and potential gain involved. Also, you are encouraged to consult with your own attorney, accountant, financial consultant or other business or tax advisor regarding the risks and merits of the proposed investment.**

This Offering is limited to investors who certify that they meet all of the qualifications set forth in the Memorandum. This Offering is being conducted in reliance on Rule 506(b) of Regulation D, and the sale of the Class BD Units cannot be made through general solicitation.

If you meet these qualifications and desire to purchase Class BD Units, then please complete, execute and deliver the Subscription Agreement through your broker-dealer to the following address:

Mail the subscription document with your check to:

SFG Income Fund VII, LLC  
188 – 106th Avenue NE, Suite 600  
Bellevue, Washington 98004  
Attn: Investor Services

Your check should be made payable to “Puget Sound Bank, as Escrow Agent for SFG Income Fund VII, LLC” or by wire to Puget Sound Bank. Wiring instructions are available upon request.

Upon receipt of the signed Subscription Agreement, verification of your investment qualifications, and acceptance of your subscription by the Company (which reserves the right to accept or reject a subscription for any reason whatsoever), the Company will execute the Subscription Agreement and notify you of the receipt and acceptance of your subscription. The Company may accept or reject any subscription in whole or in part for a period of 30 days after receipt of the Subscription Agreement, payment in full and any other subscription documents requested by the Company. Any subscription not accepted within 30 days of receipt will be deemed rejected. All Subscription Payments for Class BD Units will be held with the Escrow Agent until the Company has accepted Subscription Payments for the Minimum Offering Amount. After the Company has accepted Subscription Payments for the Minimum Offering Amount, if your Subscription Payment has not been released from the Depository Account within 30 days of its deposit thereto, you will have the right, upon written request to the Company, to have your entire Subscription Payment returned to you without deduction.

**Important Note:** In all cases, the person or entity actually making the investment decision to purchase Class BD Units should complete and sign the Subscription Agreement. For example, if the investor purchasing Class BD Units is a retirement plan for which investments are directed or made by a third party trustee, then that third party trustee must complete the Subscription Agreement rather than the beneficiaries under the retirement plan. This also applies to trusts, custodial accounts and similar arrangements. You must list the state of your principal place of residence rather than your office or other address on the Subscription Agreement – Part I so that the Company can confirm compliance with appropriate securities laws. If you wish correspondence sent to an address other than your principal residence, please provide a mailing address where indicated in “Subscription Agreement – Part II, Section A - Registration Information.”

# SFG Income Fund VII, LLC

## Class BD Units

### SUBSCRIPTION AGREEMENT PART I

**Amended and Restated Confidential Private Placement Memorandum Copy No.:** \_\_\_\_\_

This is the offer and agreement (the "Subscription Agreement") of the undersigned to purchase class BD membership units (the "Class BD Units") to be issued by SFG Income Fund VII, LLC (the "Company") for a purchase price of \$1,000 per Class BD Unit (50 Class BD Units or \$50,000 minimum), the total purchase price as specified below (the "Subscription Price"), subject to the terms, conditions, acknowledgments, covenants, representations and warranties stated herein and in the Memorandum.

Subscription Amount		
	@ \$1,000 per Class BD Unit	
Investment Units Subscribed		Total Subscription Price

Simultaneously with the execution and delivery hereof, I am transmitting a check payable to the order of "Puget Sound Bank as Escrow Agent for SFG Income Fund VII, LLC" or transmitting funds by wire in the amount of the Total Subscription Price. All terms utilized herein shall have the meanings set forth in the Memorandum.

In order to induce the Company to accept this Subscription Agreement and as further consideration for such acceptance, I hereby make the following acknowledgments, representations and warranties with the full knowledge that the Company will expressly rely on the following acknowledgments, representations and warranties in making a decision to accept or reject this Subscription Agreement:

1. I hereby adopt, confirm and agree to all of the representations, warranties and covenants set forth in this Subscription Agreement, including all applicable attachments.
2. My primary state of residence is: \_\_\_\_\_
3. If a natural person (**if a revocable grantor trust, see section 4 below**), I hereby represent and warrant (check as appropriate):  
  
\_\_\_\_\_ (i) that I have an individual net worth, or joint net worth with my spouse, meaning the excess of total assets at fair market value over the total liabilities, excluding the value of the principal residence owned by a natural person, including the related amount of indebtedness secured by the primary residence up to its fair market value, other than any increase in such indebtedness in the 60 days preceding the date of this Subscription Agreement which was unrelated to the acquisition of the primary residence, of more than \$1,000,000; or  
  
\_\_\_\_\_ (ii) that I have individual income in excess of \$200,000, or joint income with my spouse in excess of \$300,000, in each of the two most recent years and I have a reasonable expectation of reaching the same income level in the current year.
4. If other than a natural person (**including revocable grantor trusts**), such entity represents and warrants (check if appropriate):  
  
\_\_\_\_\_ That it is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

An “Accredited Investor” who is not a natural person is: (i) a corporation, an organization described in section 501(c)(3) of the Internal Revenue Code (the “Code”), a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring Class BD Units, with total assets in excess of \$5,000,000; (ii) a trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring Class BD Units and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in Class BD Units; (iii) a broker-dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); (iv) an investment company registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”); (v) a business development company (as defined in section 2(a)(48) of the Investment Company Act); (vi) a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; (vii) an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 (“ERISA”), if the investment decision is made by a plan fiduciary (as defined in section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors; (viii) a private business development company (as defined in section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”)); (ix) a bank as defined in section 3(a)(2) of the Securities Act, or 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 (x) **an entity in which all of the equity owners are Accredited Investors, and was not formed for the purpose of acquiring the Class BD Units<sup>i</sup>. In addition, the SEC has issued certain no-action letters and interpretations in which it deemed certain trusts to be accredited investors, such as trusts where the trustee is a bank as defined in Section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clauses (i) or (ii) of paragraph 3 above. However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.**

5. I represent and warrant, in addition to the other representations and warranties contained herein, that I qualify under the following categories (check all applicable categories).

\_\_\_\_\_ (a) By reason of my business or financial experience, I have the capacity to protect my own interests in connection with the purchase of the Class BD Units.

\_\_\_\_\_ (b) I have a preexisting personal or business relationship with the Company, the Manager, or any of their officers or directors, of a nature and duration as would allow me to be aware of the character, business acumen, general business and financial circumstances of the Manager or of the person with whom such relationship exists.

Subscriber’s Signature: X \_\_\_\_\_ Date: \_\_\_\_\_

Subscriber’s Signature: X \_\_\_\_\_ Date: \_\_\_\_\_

## REPRESENTATIONS, WARRANTIES AND COVENANTS OF INVESTOR

1. I acknowledge that I have received, read and fully understand the Memorandum and all Exhibits, supplements and attachments thereto. I acknowledge that I am basing my decision to invest in the Class BD Units on the Memorandum and all Exhibits and attachments thereto and I have relied only on the information contained in said materials and have not relied upon any representations made by any other person. I understand that an investment in the Class BD Units is speculative and involves substantial risks and I am fully cognizant of and understand all of the risk factors relating to a purchase of the Class BD Units, including, but not limited to, those risks set forth under “Risk Factors” in the Memorandum.

2. My overall commitment to investments that are not readily marketable is not disproportionate to my individual net worth, and my investment in the Class BD Units will not cause such overall commitment to become excessive. I have adequate means of providing for my financial requirements, both current and anticipated, and have no need for liquidity in this investment. I can bear and am willing to accept the economic risk of losing my entire investment in the Class BD Units.

3. I acknowledge my interest in the Offering was privately solicited by my registered representative with whom I have a substantive, pre-existing relationship and not by any publication of any advertisement or by any general solicitation.

4. All information that I have provided to the Company herein concerning my suitability to invest in the Class BD Units is complete, accurate and correct as of the date of my signature on this Subscription Agreement. I hereby agree to notify the Company immediately of any material change in any such information occurring prior to the acceptance of this Subscription Agreement, including any information about changes concerning my net worth and financial position.

5. I have had the opportunity to ask questions of, and receive answers from, the Company and the officers and employees of the Manager concerning the Company, the creation or operation of the Company, or the terms and conditions of the offering of the Class BD Units, and to obtain any additional information deemed necessary. I have been provided with all materials and information requested by either me or others representing me, including any information requested to verify any information furnished to me.

6. I am purchasing the Class BD Units for my own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Class BD Units. I understand that, due to the restrictions referred to in Section 7, and the lack of any market existing or to exist for the Class BD Units, my investment in the Company will be highly illiquid and may have to be held indefinitely.

7. I understand that (i) legends will be placed on any certificates evidencing the Class BD Units with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Class BD Units imposed by federal and state securities laws, (ii) the Class BD Units have not been registered with the Securities and Exchange Commission and are being offered and sold in reliance on an exemption from registration, which reliance is based in part upon my representations set forth herein and (iii) the Class BD Units have not been registered under state securities laws and are being offered and sold pursuant to exemptions specified in said laws, and unless registered, the Class BD Units may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws.

8. I hereby adopt the SFG Income Fund VII, LLC Limited Liability Company Agreement as a Member of the Company.

9. I acknowledge that Puget Sound Bank is acting solely as Escrow Agent in connection with the Offering of the Class BD Units, and makes no recommendations with respect thereto. I understand that Puget Sound Bank has made no investigation regarding the Offering, the Company, the officers and Manager of the Company, or any other person or entity involved in the Offering.

10. This Subscription Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, except as to the type of registration of ownership of Class BD Units, which shall be construed in accordance with the state of principal residence of the subscribing investor.

11. **Notice to Residents of All States:** The Class BD Units 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 said act and such laws. The Class BD Units are subject to restrictions on transferability and

resale and may not be transferred or resold except as permitted under said act and such laws pursuant to registration or exemption therefrom. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Class BD Units or passed upon the accuracy or adequacy of the Memorandum. Any representation to the contrary is a criminal offense.

12. **Pennsylvania Residents:** By signing this Subscription Agreement, I acknowledge and understand (i) that I am prohibited from selling the Class BD Units for a period of 12 months after the date of purchase, except in accordance with waivers established by rule or order of the Pennsylvania Securities Commission, (ii) that the Class BD Units have not been registered under the Pennsylvania Securities Act of 1972 in reliance upon an exemption therefrom, and (iii) that no subsequent resale or other disposition of the Class BD Units may be made within 12 months following their initial sale in the absence of an effective registration, except in accordance with waivers established by rule or order of the Pennsylvania Securities Commission, and thereafter only pursuant to an effective registration or exemption.

13. I hereby covenant and agree that any dispute, controversy or other claim arising under, out of or relating to this Subscription 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 Seattle, Washington in accordance with the rules and procedures of the American Arbitration Association. The prevailing party shall be entitled to an award of its reasonable costs and expenses including, but not limited to, attorneys' fees, in addition to any 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.

14. **I hereby agree to indemnify, defend and hold harmless the Company, the Manager, and all of its shareholders, officers, directors, affiliates and advisors from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) that they may incur by reason of my failure to fulfill all of the terms and conditions of this Subscription Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents I have furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by the Company, the Manager, or any of its shareholders, members, partners, managers, officers, directors, affiliates or advisors defending against any alleged violation of federal or state securities laws that is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents I have furnished to any of the foregoing in connection with this transaction.**

15. Miscellaneous: (a) I may not transfer or assign this Subscription Agreement, or any interest herein, and any purported transfer shall be void; (b) I hereby acknowledge and agree that I am not entitled to cancel, terminate or revoke this Subscription Agreement and that this Subscription Agreement will be binding on my heirs, successors and personal representatives; provided, however, that if the Company rejects this Subscription Agreement, this Subscription Agreement shall be automatically canceled, terminated and revoked; (c) this Subscription Agreement and the Operating Agreement, together with all attachments and exhibits thereto, constitute the entire agreement among the parties hereto with respect to the sale of the Class BD Units and may be amended, modified or terminated only by a writing executed by all parties (except as provided herein with respect to rejection of this Subscription Agreement by the Company); (d) within five days after receipt of a written request from the Company, the undersigned agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and regulations to which the Company is subject; and (e) the representations and warranties of the undersigned set forth herein shall survive the sale of the Class BD Units pursuant to this Subscription Agreement.

**SFG INCOME FUND VII, LLC – SUBSCRIPTION AGREEMENT  
PART II**

**SECTION A. – REGISTRATION INFORMATION**

Please list Subscriber information (For IRA/Retirement or other similar custodial accounts see Section C below for Custodian information):

Name:

Trustee(s) if Trust:

Date of Trust:

Authorized person(s), if Entity type other than Trust:

Address (principal place of residence):

Mailing Address (if different):

Primary Account  
Holder SSN/EIN:

Secondary Account  
Holder SSN:

Home phone:

Cell:

Work phone:

E-mail address:

Additional e-mail address:

**SECTION B. – FORM OF OWNERSHIP**

Indicate the form of ownership you desire on the account. (Note: If the registration name you list above is inconsistent with the legal title requested below and as reflected in any accompanying documents, the Company may require clarification). PLEASE CHECK ONE:

<input type="checkbox"/>	Individual	(In community property states, if the purchaser is married, then his (her) spouse must sign and submit the Spousal Consent form attached hereto as Attachment A.)
<input type="checkbox"/>	Separate Property	(In community property states, if the purchaser is married, then his (her) spouse must sign and submit the Spousal Consent form attached hereto as Attachment A.)
<input type="checkbox"/>	Joint Tenants with right of survivorship	(All parties must sign all required documents.)
<input type="checkbox"/>	Tenants in common	(All parties must sign all required documents.)
<input type="checkbox"/>	Husband and wife as community property	(Community property states only. Husband and wife should sign all required documents.)
<input type="checkbox"/>	TOD-Individual	(In community property states, if the purchaser is married, then his (her) spouse must sign and submit the Spousal Consent form attached hereto as Attachment A.) An additional registration form is also required for Transfer on Death (TOD) ownership. Please contact us for the required form.
<input type="checkbox"/>	TOD -Joint Tenants with right of survivorship	(All parties must sign all required documents.) An additional registration form is also required for Transfer on Death (TOD) ownership. Please contact us for the required form.
<input type="checkbox"/>	Trust	(The Trustee Certification of Investment Powers form and A copy of the Trust or other acceptable Trust documentation must be provided along with this Subscription Agreement.)
<input type="checkbox"/>	Partnership	(Include evidence of partnership authority for person who executes required documents.)
<input type="checkbox"/>	Limited Liability Company	(Include evidence of limited liability company authority for person who executes required documents.)
<input type="checkbox"/>	Corporation	(Include evidence of corporate authority for person who executes required documents.)
<input type="checkbox"/>	Other, including: IRA, 401(k), Profit Sharing Plan, etc.	Type: _____ (IRA, SEP IRA, Roth IRA, 401(k), PSP, etc.) Additional documentation may be required for Retirement accounts other than IRA form of ownership. Please contact us for details.

**SECTION C. – CUSTODIAN INFORMATION  
FOR IRA/RETIREMENT PLAN OR OTHER SIMILAR CUSTODIAL ACCOUNTS:**

Name of custodian:

Address of custodian:

Taxpayer Identification Number of custodian:

Phone no. of custodian:

Investor Account No.:





**SECTION G. – SIGNATURES**

**THE UNDERSIGNED HAS THE AUTHORITY TO ENTER INTO THIS SUBSCRIPTION AGREEMENT ON BEHALF OF THE PERSON(S) OR ENTITY REGISTERED IN SECTION A ABOVE.**

EXECUTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_\_.

X

Signature (Investor, or authorized signatory)

X

Signature (Investor, or authorized signatory)

**SECTION H. – SIGNATURE OF IRA/RETIREMENT PLAN CUSTODIAN  
OR OTHER CUSTODIAL ACCOUNT PURCHASER (IF APPLICABLE)**

**THE UNDERSIGNED HAS THE AUTHORITY TO ENTER INTO THIS SUBSCRIPTION AGREEMENT ON BEHALF OF THE PERSON(S) OR ENTITY REGISTERED IN SECTION A ABOVE.**

EXECUTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_\_.

X

Signature (authorized signatory) Name and Title

**SECTION I. – SUBMIT SUBSCRIPTION**

Make check payable, or send wire, in the amount of the Subscription Payment, to “Puget Sound Bank as Escrow Agent for SFG Income Fund VII, LLC” and submit Subscription Payment and this Subscription Agreement per Subscription Agreement – Instructions to Investors.

**SECTION J – COMPANY ACCEPTANCE**

**To be completed by the Company upon acceptance of this Subscription Agreement.**

The Company hereby accepts this Subscription Agreement.

Dated: \_\_\_\_\_, 20\_\_\_\_\_

SFG Income Fund VII, LLC, a Delaware  
limited liability company

By: SFG Fund Management, LLC, a  
Delaware limited liability company, its  
Manager

By: \_\_\_\_\_  
Gregory B. Elderkin, Vice President

**ATTACHMENT A. – SPOUSAL CONSENT**

**(For purchasers in community property states, which are currently  
Alaska, Arizona, California, Idaho, Louisiana, Nevada,  
New Mexico, Texas, Washington and Wisconsin)**

I, \_\_\_\_\_, spouse of \_\_\_\_\_ have read and hereby approve of the Instructions to Investors and Subscription Agreement of SFG Income Fund VII, LLC for Class BD Units issued by the Company (the “Subscription Agreement”), which my spouse has signed. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights related to a purchase of any such Class BD Units and agree to be bound by the provisions of the Subscription Agreement, the Amended and Restated Confidential Private Placement Memorandum of Class BD Units in SFG Income Fund VII, LLC dated August 1, 2016, and all Exhibits thereto, and any other documents related to the purchase of any such Class BD Units (collectively, the “Purchase Documents”) insofar as I may have any rights in said Purchase Documents or any property or interest subject thereto under the community property laws of the State of \_\_\_\_\_ or similar laws relating to marital property in effect in the state of our residence as of the date of signing of the Subscription Agreement and/or the Purchase Documents.

**X**

**(DATE)**

Signature (authorized signatory)

## BROKER/DEALER REPRESENTATIONS AND WARRANTIES

Investor suitability requirements have been established by the Company and are in the Memorandum under “Who May Invest.” Before recommending the purchase of Class BD Units, we have reasonable grounds to believe, on the basis of information supplied by the subscriber concerning his or her investment objectives, other investments, financial situation and needs, and other pertinent information that: (i) the subscriber is an “accredited investor” as defined in Section 501(a) of Regulation D of the Securities Act; (ii) the subscriber meets the investor suitability requirements established by the Company; (iii) the subscriber has a net worth and income sufficient to sustain the risks inherent in the Class BD Units, including loss of investment and lack of liquidity; (iv) the Class BD Units are otherwise a suitable investment for the subscriber and (v) we have established a pre-existing relationship with the subscriber prior to the Company contemplating or initiating the offering of Class BD Units. We will maintain in our files documents disclosing the basis upon which the suitability of this subscriber was determined as well as documents establishing a pre-existing relationship with the subscriber.

We verify that the above subscription either does not involve a discretionary account or, if so, that the subscriber’s prior written approval was obtained relating to the liquidity and marketability of the Class BD Units during the term of the investment.

Full Name of Investor as stated in Section A: \_\_\_\_\_

Broker/Dealer Firm Name: \_\_\_\_\_

Registered Representative Name: \_\_\_\_\_  
(Please Print)

Registered Representative B/D Number: \_\_\_\_\_

\_\_\_\_\_  
Registered Representative’s BRANCH ADDRESS, City, State, Zip

Rep E-mail \_\_\_\_\_ Branch Phone: \_\_\_\_\_

Alternate E-mail \_\_\_\_\_ Alternate Phone: \_\_\_\_\_

I hereby certify that the Broker-Dealer is registered in the State of sale.

### **Rule 506(d) and Rule 506(e) Certification**

I hereby certify that the Registered Representative is not or has not been:

- (a) Convicted, within 10 years of the date hereof (the “Effective Date”) of any felony or misdemeanor that was:
  - (i) In connection with the purchase or sale of any security;
  - (ii) Involving or making of any false filing with the Securities and Exchange Commission (or “SEC”);  
or
  - (iii) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities.
  
- (b) Subject to any order, judgment or decree of any court of competent jurisdiction, entered within 5 years before the Effective Date, that restrains or enjoins such person from engaging or continuing in any conduct or practice:
  - (i) In connection with the purchase or sale of any security;
  - (ii) Involving the making of any false filing with the SEC; or
  - (iii) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities.

- (c) Subject to a final order of a state securities commission (or an agency or officer of a state performing like functions), a state authority that supervises or examines banks, savings associations or credit unions, a state insurance commission (or an agency or officer of a state performing like functions), an appropriate federal banking agency, the U.S. Commodity Futures Trading Commission or the National Credit Union Administration that:
  - (i) As of the Effective Date, bars the person from:
    - (1) Association with an entity regulated by such commission, authority, agency or officer;
    - (2) Engaging in the business of securities, insurance or banking; or
    - (3) Engaging in savings association or credit union activities.
  - (ii) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative or deceptive conduct entered within 10 years before the Effective Date.
- (d) Subject to an order of the SEC pursuant to sections 15(b) or 15B(c) of the Exchange Act or section 203(e) or (f) of the Investment Advisers Act that, at the time of such sale:
  - (i) Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer or investment advisor;
  - (ii) Places limitations on the activities, functions or operations of such person; or
  - (iii) Bars such person from being associated with any entity or from participating in the offering of any penny stock.
- (e) Subject to any order of the SEC entered within 5 years before the Effective Date, as of the date hereof, that orders the person to cease and desist from committing or causing a violation or future violation of:
  - (i) Any scienter-based anti-fraud provisions of the federal securities laws including, without limitation, section 17(a)(1) of the Securities Act, section 10(b) of the Exchange Act and 17 CFR 240.10b-5, section 15(c)(1) of the Exchange Act and section 206(1) of the Investment Advisers Act, or any other rule or regulation thereunder; or
  - (ii) Section 5 of the Securities Act.
- (f) Suspended or expelled from membership in, or suspended or barred from association with, a member of a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade.
- (g) Filed (as a registrant or issuer), or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the SEC that, within 5 years of the Effective Date, was the subject of a refusal order, stop order or order suspending the Regulation A exemption or, is, at the time of such sale, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued.
  - (h) Subject to a United States Postal Service false representation order entered within 5 years before the Effective Date, or is, at the Effective Date, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

The representations and warranties above are and shall be continuing representations and warranties throughout the term of the Offering. In the event that any of these representations or warranties become untrue, the Registered Representative and Broker-Dealer will immediately notify the Company in writing of the fact which makes the representation or warranty untrue.

REGISTERED REPRESENTATIVE:

BROKER-DEALER PRINCIPAL:

\_\_\_\_\_  
Signature of Registered Representative

\_\_\_\_\_  
Signature of Broker-Dealer Principal

Date: \_\_\_\_\_, 20\_\_\_\_

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

Date: \_\_\_\_\_, 20\_\_\_\_



# **TRUSTEE CERTIFICATION OF INVESTMENT POWERS**

SFG Income Fund VII, LLC (“SFG VII”) will not be able to open your account without all of the information requested on this form. When completing this form, please answer all questions and print the names of all trustees clearly in the section indicated on the first page. After answering all questions in their entirety, please have all trustees sign in the appropriate area on the last page of the document. This form does not replace the need for copies of the trust paperwork.

## **STEP 1. TRUST INFORMATION**

Title of the Trust to Which This Certification Applies	
Original Date of Trust 	Latest Amendment or Restatement Date 
Grantor(s), Settlor(s) or Testator(s) who Established the Trust	
Trust Type <input type="checkbox"/> Revocable <input type="checkbox"/> Irrevocable <input type="checkbox"/> Testamentary <input type="checkbox"/> Other _____	
Tax ID/Social Security Number 	Governing State Law _____

There are no other trustees of the Trust other than the undersigned.

Please check one of the following if there is more than one Trustee:

- The Trust Agreement explicitly authorizes each of the following Trustees to act individually without the approval of the other Trustees. SFG VII has the authority to accept orders and other instructions in connection with the Trust account from any one of these Trustees, acting alone, and such Trustee may execute any documents on behalf of the Trust that SFG VII may require.
  
- The Trust Agreement *does not* authorize the trustees to act individually on behalf of the Trust account.

**TRUSTEE INFORMATION.** Please indicate whether trustee is a founding trustee or successor trustee. Please attach resignation letters, medical letters of incompetence, or death certificates if founding trustees are not currently acting trustees.

Trustee 1 Name	<input type="checkbox"/> Founding <input type="checkbox"/> Successor
Address	
Trustee 2 Name	<input type="checkbox"/> Founding <input type="checkbox"/> Successor
Address	
Trustee 3 Name	<input type="checkbox"/> Founding <input type="checkbox"/> Successor
Address	
Trustee 4 Name	<input type="checkbox"/> Founding <input type="checkbox"/> Successor
Address	



**STEP 2. THE POWERS OF THE TRUST**

The undersigned Trustee(s) certify that, under the Trust Agreement and/or applicable state or local law, they have the power to enter into transactions for the purchase and sale of securities and other investments, including without limitation, the membership units of SFG VII.

**STEP 3. ACCREDITED INVESTOR STATUS**

The undersigned Trustee(s) represents and warrants:

Please check one of the following:

- The undersigned is a trust with assets over \$5,000,000, was not formed for the specific purpose of acquiring this investment, and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment.
- The undersigned is a REVOCABLE trust with assets below \$5,000,000, with a grantor(s) that meets the criteria for a natural person to be accredited.
- The undersigned is an IRREVOCABLE trust with assets below \$5,000,000, but the trustee is a bank or savings and loan association.

**STEP 4. TRUSTEE(S) INDEMNIFICATION AND SIGNATURE**

The undersigned Trustees jointly and severally indemnify and hold harmless SFG VII, and each of their affiliates, officers, directors, employees, agents, successors or assigns from any liability (including attorney's fees) from and against any claims, judgments, expenses, liabilities or costs of defense or settlement arising out of or related to breach of any representation or warranty made herein, or from effecting any transfers or transactions pursuant to instructions given by any of the Trustees listed above (or any future successor trustees), or any actual improper or unsuitable action resulting from instructions given to SFG VII. This indemnification is made by us both in our capacities as Trustees and in our individual capacities. We certify that the Trust is currently in existence, had not been revoked, modified or amended in any manner that would cause the certifications herein to be incorrect and, we agree to inform SFG VII immediately in writing of any amendment to the Trust, any change in the composition of the Trustees, or any other event which could alter the certifications made above. We acknowledge SFG VII's right to examine the Trust Agreement and hereby agree to provide SFG VII with a copy of the Trust Agreement if so requested. (Where applicable, plural references in this certification shall be deemed singular.)

Trustee 1 Name	Date       -       -
Signature  X	
Trustee 2 Name	Date       -       -
Signature  X	
Trustee 3 Name	Date       -       -
Signature  X	
Trustee 4 Name	Date       -       -
Signature  X	



**TRANSFER ON DEATH REGISTRATION AND AGREEMENT**

Phoenix American Financial Services reserves the right to allow the following rules to apply to a TOD registration:

- A TOD may only be held on Individual or Joint Tenants with Right of Survivorship (JTWROS) registrations.
- The TOD beneficiary must be an individual or entity and cannot be the JTWROS.
- The TOD beneficiary must be named on this form; "spouse" or "children" is not an acceptable designation.
- If more than one beneficiary is named the number of shares or percentage of total investment must be designated.
- If any beneficiary fails to survive the owner, then the registration of the account in TOD form is no longer valid.
- To change TOD beneficiary information a new form must be submitted.

**TO BE COMPLETED BY INVESTOR(S):**

By signing below I/we request that my/our investment be registered in "transfer on death" form, and designate the following beneficiary(ies) as the individual(s) to whom the investment shall pass after I/we are deceased.

Print Investor Name	Investor No.	Print Investor Name	Investor No.
Name of Beneficiary(ies)	Date of Birth	Tax ID Number	Percentage
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

By signing below, I/we also make the following warranties, representations and agreements:

1. You are not required to re-register the investment in the name of the beneficiary unless you have received documents requiring you to establish that I/we are both deceased.
2. You are not responsible for determining the tax consequences of the decision to register this investment as requested above.
3. I/we agree to hold harmless, indemnify and defend you for any claim, loss or liability resulting from (a) any breach of any warranty or representation in this Agreement and (b) any action you take in connection with the registration, any re-registration in the name of the beneficiary, and from any distribution thereafter to the beneficiary, made as requested or authorized under this agreement.
4. If this Agreement is established under joint tenants with right of survivorship account status, upon the death of one of the joint owners, ownership will pass to the surviving joint owner, and you may follow the instructions of the survivor with regard to the investment, including, without limitation, instructions to terminate transfer on death registration or change owner or beneficiary.
5. You have not provided any legal advice to me, and I agree to obtain the advice of an attorney with regard to the enforceability of this form of registration in my state and its affect on my estate and tax planning.

**SIGNATURES (Must be Medallion Signature Guaranteed):**

_____ Investor Signature	_____ Date	_____ Investor Signature	_____ Date
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**PLEASE PRINT AND MAIL TO:**  
**Transfer fee of \$37.50 made payable to Phoenix Transfer, Inc. is required upon submission, unless submitting with your initial subscription.**

SFG Income Fund VII, LLC  
**Attention: Investor Services**  
 188 106<sup>th</sup> Ave NE, Suite 600  
 Bellevue, WA 98004



*Medallion Signature Guarantee Required*