

## How to Purchase Preferred Shares

A purchaser of Shares must complete, date, execute, and deliver to the Company the following documents, as applicable, all of which are included in Part C:

1. An original signed copy of the appropriate Subscription Agreement; and
2. A check payable to “Capri Hospitality, Inc.” in the amount of \$12.50 per Share for each Share purchased as called for in the Subscription Agreement (minimum purchase 1,600 Shares or \$20,000); and
3. This offer is only open to accredited investors, which must show proof of one of the following:
  - A person who has individual, or joint, net worth in excess of \$1 Million (excluding residences)
  - A person who with income exceeding \$200,000 in each of the most recent two years
  - A person and spouse with income exceeding \$300,000 in each of the most recent two years
  - A trust with assets in excess of \$5 Million

In order to validate these requirements as required by the SEC and under this statute, Capri requires one of the following, under Federal Law:

- If proof is income based, the two most recent years (including, but not limited to, Form W-2, Form 1099, Schedule K-1 to Form 1065, and Form 1040) and obtaining a written representation from the purchaser that he or she has a reasonable expectation of reaching the income level necessary to qualify as an accredited investor during the current year
- If proof is net worth based: reviewing one or more of the following types of documentation dated within the prior three months and obtaining a written representation from the purchaser that all liabilities necessary to make a determination of net worth have been disclosed:
  - (1) With respect to assets: Bank statements, brokerage statements and other statements of securities holdings, certificates of deposit, tax assessments, and appraisal reports issued by independent third parties; and
  - (2) With respect to liabilities: A consumer report from at least one of the nationwide consumer reporting agencies
- Capri is also willing to accept a written confirmation from one of the following persons or entities (investor is responsible for any costs of obtaining the following) that such person or entity has taken reasonable steps to verify that the purchaser is an accredited investor within the prior three months and has determined that such purchaser is an accredited investor:
  - A registered broker-dealer
  - A certified public accountant who is duly registered and in good standing under the laws of the place of his or her residence or principal office
  - investment adviser registered with the Securities and Exchange Commission
  - A licensed attorney who is in good standing under the laws of the jurisdictions in which he or she is admitted to practice law
  - In order to maintain privacy, Capri can accept a report from <https://www.earlyiq.com/> or <https://verifyinvestor.com/>

Any rights associated with dividends will be awarded upon successful filing

Checks and signed documents should be sent to:

Michael Heisman, CEO  
Capri Hospitality, Inc.  
3825 E. Calumet St.  
Suite 400#290  
Appleton, WI 54915

All questions can be answered via phone (678) 517-7597 or email: [invest@flycapri.com](mailto:invest@flycapri.com)



Capri Hospitality, Inc.  
 3825 E. Calumet St.  
 Suite 400#290  
 Appleton, WI 54915

Dear Sir or Madam:

The undersigned (the "Purchaser") is aware that Capri Hospitality, Inc., a WI corporation, (the "Company") is raising a maximum of One Million Dollars (\$1,000,000) from various persons by selling up to 80,000 shares of the Company's Preferred Stock, \$0.001 par value (the "Shares"), at a price of \$12.50 per share (1,600 share increments)

The undersigned (the "Purchaser") is also aware the company is also conducting an offering of Common shares with maximum proceeds of \$2,000,000, at the same time of this offering. Maximum proceeds of the combined offerings are \$3,000,000.

I have received, read, and understand the Limited Offering Memorandum dated August 1, 2018 (the "Memorandum"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms and conditions of this Subscription Agreement, the Memorandum and the Shares (the "Share Documents"). I understand that you will rely on all legislation governing the issuance of shares through a Private Placement Regulation D 506-C Offering Registration (SCOR).

This Subscription Agreement is one of a number of such subscriptions for Shares. By signing this Subscription Agreement, I offer to purchase and subscribe from the Company the number of Shares set forth below on the terms specified herein. The Company reserves the right, in its complete discretion, to reject any subscription offer or to reduce the number of Shares allotted to me. If this offer is accepted, the Company will execute a copy of this Subscription Agreement and return it to me. I understand that commencing on the date of this Memorandum all funds received by the Company will be deposited in the company's operating account.

1. Accredited Investor. I am currently an Accredited Investor. Note that this offering is currently only available to Accredited Investors.

- A person who has individual, or joint, net worth in excess of \$1 Million (excluding residences), or
- A person who with income exceeding \$200,000 in each of the most recent two years, or
- A person and spouse with income exceeding \$300,000 in each of the most recent two years, or
- A trust with assets in excess of \$5 Million

\_\_\_\_\_ YES      \_\_\_\_\_ NO

\_\_\_\_\_ Purchaser's Initials

PREFERRED SHARES

2. I am currently related to an officer or Director of Capri Hospitality, Inc., or employed by Capri Hospitality, Inc.

\_\_\_\_\_ YES      \_\_\_\_\_ NO

3. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies and I have no need for liquidity of my investment in the Shares, (ii) can bear the economic risk of losing the entire amount of my investment in Shares, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment; (iv) the purchase of Shares is consistent, in both nature and amount, with my overall investment program and financial condition.

(a) The address set forth on the following pages is my true and correct residence, and I have no intention of becoming a resident of any other state or jurisdiction.

(b) I have not utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act) because I am a sophisticated, experienced investor, capable of determining and understanding the risks and merits of this investment.

(d) I have received and read, and am familiar with the Share Documents, including the Memorandum and the forms of certificate for Shares. All documents, records and books pertaining to the Company and the Shares requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to me.

(e) I have had the opportunity to ask questions of and receive answers from the Company's officers and representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Shares.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that there can be no assurance that the Company will be successful in obtaining the funds necessary for its success. If only a fraction of the maximum amount of the Offering is raised, the Company may not be able to expand as rapidly as anticipated, and proceeds from this Offering may not be sufficient for the Company's long term needs.

(g) Other than as set forth in the Memorandum, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering, and I am purchasing the Shares based solely upon my own investigation and evaluation.

(h) I understand that no Shares have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions.

(i) The Shares for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Shares to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Shares by anyone but me.

\_\_\_\_\_  
Purchaser's Initials

PREFERRED SHARES

(j) I am aware of the following:

- (i) The Shares are a speculative investment which involves a high degree of risk; and
- (ii) My investment in the Shares is not readily transferable; it may not be possible for me to liquidate my investment.
- (iii) The financial statements of the Company have merely been compiled, and have not been reviewed or audited.
- (iv) There are substantial restrictions on the transferability of the Shares registered under the Securities Act.

(k) Except as set forth in the Memorandum, none of the following information has ever been represented, guaranteed, or warranted to me expressly or by implication, by any broker, the Company, or agents or employees of the foregoing, or by any other person:

- (i) The appropriate or exact length of time that I will be required to hold the Shares;
- (ii) The percentage of profit and/or amount or type of consideration, profit, or loss to be realized, if any, as a result of an investment in the Shares; or
- (iii) That the past performance or experience of the Company, or associates, agents, affiliates, or employees of the Company or any other person, will in any way indicate or predict economic results in connection with the purchase of Shares;
- (iv) The amount of dividends or distributions that the Company will make;

(m) I hereby agree to indemnify and hold harmless the Company, its officers, directors, and representatives from and against any and all liability, damage, cost or expense, including reasonable attorney's fees, incurred on account of or arising out of:

- (i) Any inaccuracy in the declarations, representations, and warranties set forth above;
- (ii) The disposition of any of the Shares by me which is contrary to the foregoing declarations, representations, and warranties; and
- (iii) Any action, suit or proceeding based upon (1) the claim that said declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (2) the disposition of any of the Shares.

(n) By entering into this Subscription Agreement, I acknowledge that the Company is relying on the truth and accuracy of my representations.

The foregoing representation and warranties are true and accurate as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of the fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefor.

\_\_\_\_\_  
Purchaser's Initials

PREFERRED SHARES

4. Transferability. I understand that I may sell or otherwise transfer my Shares only if registered under the Securities Act or I provide the Company with an opinion of counsel acceptable to the Company to the effect that such sale or other transfer may be made in absence of registration under the Securities Act. I have no right to cause the Company to register the Shares. Any certificates or other documents representing my Shares will contain a restrictive legend reflecting this restriction, and stop transfer instructions will apply to my Shares.

5. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 hereof, and I will indemnify and hold harmless the Company, its officers, directors, and representatives involved in the offer or sale of the Shares to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Subscription Agreement.

6. Revocation. I will not cancel, terminate or revoke this Subscription Agreement or any agreement made by me hereunder and this Subscription Agreement shall survive my death or disability.

7. Termination of Agreement. If this subscription is rejected by the Company, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this Subscription Agreement.

8. Miscellaneous.

(a) This Subscription Agreement shall be governed by and construed in accordance with the substantive law of the State of Wisconsin.

(b) This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only in writing and executed by all parties.

9. Amendments. Prior to signing this agreement, I have reviewed any amendments that may have been posted on Capri Hospitality's stock information page. These pages are located in the "Stock Info" sections of any of the company's websites.

\_\_\_\_\_  
Purchaser's Initials

PREFERRED SHARES

**USE OF PROCEEDS – NO ESCROW**

I understand that Capri Hospitality does not utilize an escrow account for investor funds associated with this offering, as Capri Hospitality intends to immediately use funds to open three (3) of its CapriTrips locations within Northeast Wisconsin and to start specific projects associated with the flight implementation that are expected to reduce the company’s implementation project plan from twelve (12) months to six (6) months once the initial \$1,500,000 in stock proceeds is obtained.

I am giving Capri Hospitality, Inc. permission to immediately deposit my check(s) into the company’s operating accounts and immediately utilize the funds as outlined in the Use of Proceeds section of this document and below. I understand Capri may have to modify these allocations and will notify investors prior to doing so through the update sent to investors. An investor’s funds will not be spent or released to the company until all accredited investor certification paperwork for that investor is received by Capri Hospitality.

Expense	%	Cost	Estimated Date To Be Used
CapriTrips Locations (3)	60.0%	\$ 300,000	Immediate
Preflight Payroll (excludes CapriTrips)	10.0%	\$ 50,000	As Needed
Investor Relations / Stock Related Costs	7.0%	\$ 35,000	Immediate
Expenses Incurred To Date	6.0%	\$ 30,000	Immediate
Payroll Taxes and Fees (excludes CapriTrips)	4.0%	\$ 20,000	As Needed
Directors and Officers Insurance	4.0%	\$ 20,000	TBD / Only if Needed
C.O.a.R.S System Development	3.0%	\$ 15,000	Immediate /As Needed
Capri Principal Corporate Office/Equipment	2.0%	\$ 10,000	Immediate /As Needed
Legal and Accounting	2.0%	\$ 10,000	Immediate /As Needed
Corporate Travel	1.8%	\$ 9,000	Immediate /As Needed
Insurance & Bank Fees	0.2%	\$ 1,000	As Needed

The first \$500,000 obtained through the company’s offerings (Common and Preferred combined) is approved to be utilized as outlined within the chart on the left:

The next \$1,000,000 obtained through the company’s offerings (Common and Preferred combined) is approved to be utilized as follows:

Expense	%	Cost	Estimated Date To Be Used
Surety Bond/ Deposit	20.0%	\$ 200,000	2-3 weeks prior to filing the US DOT paperwork
Preflight Payroll (excludes CapriTrips)	16.0%	\$ 160,000	Planned for after \$1M in proceeds
Credit Card Processor Security Deposit	10.0%	\$ 100,000	Prior to processing credit cards for flights
Airline Security Deposit (Airline 1)	10.0%	\$ 100,000	After implementation starts (prior to first flight)
Initial Flight Payments	10.0%	\$ 100,000	Estimated 3 weeks before first flight
Capri Principal Corporate Office/Equipment	8.0%	\$ 80,000	Planned for after \$1M in proceeds
Flight Marketing	8.0%	\$ 80,000	After USDOT registration (estimated August 2019)
Payroll Taxes and Fees (excludes CapriTrips)	6.0%	\$ 60,000	As Needed
Credit Card Processing	3.2%	\$ 32,000	As ticket sales commence
Airport Offices/Equipment	2.4%	\$ 24,000	1-2 months prior to first flight
Home Office Utilities	1.6%	\$ 16,000	As principal office opens
Investor Relations / Stock Related Costs	1.5%	\$ 15,000	As Needed
Corporate Travel	1.1%	\$ 11,000	As Needed
Legal and Accounting	1.0%	\$ 10,000	As Needed
C.O.a.R.S System Development	0.5%	\$ 5,000	Estimated July 2019
Insurance & Bank Fees	0.4%	\$ 4,000	As Needed
Supplies / Janitorial	0.3%	\$ 3,000	As Needed

The remaining proceeds of the current stock offerings (Common and Preferred combined) can be retained as working capital and to strengthen the company’s cash flow, conduct ad hoc charter flights to key tourism destinations for CapriTrips and to develop Offering 2 as outlined in the Executive Summary of this document.

Purchaser’s Signature \_\_\_\_\_ Date: \_\_\_\_\_

2018/19 Capri Hospitality Preferred Shares – Offering 1

Name(s): \_\_\_\_\_

- \_\_\_\_\_ Single Person
- \_\_\_\_\_ Husband and Wife, as community property
- \_\_\_\_\_ Joint Tenants (with right of survivorship)
- \_\_\_\_\_ Tenants in Common
- \_\_\_\_\_ A Married Person as separate property
- \_\_\_\_\_ Corporation or other organization
- \_\_\_\_\_ a Partnership
- \_\_\_\_\_ Trust
- \_\_\_\_\_ IRA

Total Shares: \_\_\_\_\_ (1,600 share increments at \$12.50 per share = \$20,000)

Social Security Number: \_\_\_\_\_ (primary)

Residence Street Address: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Mailing Address: (Complete only if different from residence)

Street Address (If P.O. Box, include address for surface delivery if different from residence)

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Email Address (Primary): \_\_\_\_\_

Phone Numbers

Home: (\_\_\_\_\_) \_\_\_\_\_ Business: (\_\_\_\_\_) \_\_\_\_\_

9. Date and Signatures. Dated \_\_\_\_\_

Signatures	Purchaser Name (Print)
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\_\_\_\_\_

(Each co-owner or joint owner must sign - Names must be signed exactly as listed above)

ACCEPTED:  
Capri Hospitality, Inc.

By: \_\_\_\_\_ Dated: \_\_\_\_\_

Michael Heisman, CEO, Capri Hospitality, Inc.

**ATTACH PROOF OF ACCREDITED INVESTOR STATUS TO THIS CONTRACT OR HAVE PARTY PROVIDING VERIFICATION SEND PROOF TO CAPRI'S MAILING ADDRESS  
Capri Hospitality, Inc. 3825 E. Calumet Street, Suite 400#290 Appleton, WI 54915**