

## I. DEFINITIONS

**An Accredited Investor**, in the context of a natural person, includes anyone who:

- Earned income that exceeded \$200,000 (or \$300,000 together with spouse) in each of the prior two years, and reasonably expects the same for the current; or
- Has a net worth over \$1 million, either alone or together with a spouse (excluding the value of the person's primary residence).

**Net Worth:** The commonly understood, or basic, meaning of the term "Net Worth" is the difference between the value of a person's assets and the value of the person's liabilities. When calculating the net worth for the purpose of determining whether a person qualifies as an "Accredited Investor" on the basis of having a net worth in excess of \$1 million, the following must be considered:

- Excludes the value of a person's primary residence. Primary residence has a commonly understood meaning as the home where a person lives most of the time.
- Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability). *Please note that any increase in the amount of debt secured by a primary residence in the 60 days before the time of sale of securities to an individual generally will be included as a liability, even if the estimated value of the primary residence exceeds the aggregate amount of debt secured by such primary residence.*
- Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

**Liquid Net Worth** is your net worth minus assets that *cannot be converted quickly* and easily into cash. This may include real estate, business equity, personal property and automobiles, expected inheritances, assets earmarked for other purposes, and investments or accounts subject to substantial penalties if they were sold or if assets were withdrawn from them.

### Other Considerations:

- Customer's total investment in DPPs, REITs, Private Placements or other alternative products **may not exceed 25% of Liquid Investment Net Worth** (may require additional approval).
- **No more than 15% of Liquid Investment Net Worth** may be invested in any particular DPP, REIT, Private Placements or other alternative products (may require additional approval).
- Colorado Financial Service Corporation requires DPP, REIT, Private Placement, and other alternative product purchasers to be an accredited investor or meet the minimum sponsor requirements.

## II. PRODUCT INFORMATION

**THIS SECTION MUST BE COMPLETED BY THE REGISTERED REPRESENTATIVE BEFORE THE CUSTOMER(S) COMPLETE THIS DOCUMENT.**

1. Product Type: ☐ Direct Participation ☐ REIT ☐ Private Placement ☐ Other: \_\_\_\_\_
2. Security Description: \_\_\_\_\_
3. Date Prospectus (or PPM or any Product Disclosure Document) Delivered: \_\_\_\_\_
4. Does this product require accredited investors? ☐ Yes ☐ No

## III. ACCOUNT AND TRANSACTION INFORMATION

5. Internal (Dashboard) Customer Account Number: \_\_\_\_\_
6. Social Security (EIN) Number: \_\_\_\_\_
7. Birth Date: \_\_\_\_\_
8. Account Name: \_\_\_\_\_
9. Account Type: ☐ Individual ☐ JTWR0S ☐ IRA ☐ Other: \_\_\_\_\_
10. Investment Amount for This Transaction: \$ \_\_\_\_\_
11. Source of the Funds for This Transaction: \_\_\_\_\_
12. Does the customer already own **this type of product**? ☐ Yes ☐ No
13. If the customer already owns **this type of product**, total investments (including this transaction): \$ \_\_\_\_\_
14. After the transaction, will total investment in **this type of product** exceed 25% of the liquid net worth? ☐ Yes ☐ No

If yes, please provide rationale for investment exceeding 25% (attach additional sheet if necessary)

Customer Initial: \_\_\_\_\_/\_\_\_\_\_

15. Does the customer already own a **product with this sponsor**? ☐ Yes ☐ No
16. If the customer already owns a **product with this sponsor**, total investment (including this transaction): \$ \_\_\_\_\_
17. After the transaction, will total investment in **this product** exceed 15% of the liquid net worth? ☐ Yes ☐ No
- If yes, please provide rationale for investment exceeding 15% (attach additional sheet if necessary)

Customer Initial: \_\_\_\_\_/\_\_\_\_\_

#### IV. CUSTOMER SUITABILITY INFORMATION

18. Customer's Financial Information. (check one)

☐ \_\_\_\_\_/\_\_\_\_\_ (Customer Initial): There has been no change since my last transaction(s) with Colorado Financial.

☐ \_\_\_\_\_/\_\_\_\_\_ (Customer Initial): Below is my current financial information. Update my account information, when/if Colorado Financial Service Corporation has other than what I provide here.

Income: \$ \_\_\_\_\_ Net Worth: \$ \_\_\_\_\_ Liquid Net Worth: \$ \_\_\_\_\_

☐ \_\_\_\_\_/\_\_\_\_\_ (Customer Initial): Colorado Financial's new account form is attached with this form.

19. Customer Experience in This Type of Product:
20. What is the customer's primary goal to achieve from this transaction?

Customer Initial: \_\_\_\_\_/\_\_\_\_\_ (attach additional sheet if necessary)

21. Transaction Type

- ☐ \_\_\_\_\_/\_\_\_\_\_ (Customer Initial) The Representative named below recommended this transaction.
- ☐ \_\_\_\_\_/\_\_\_\_\_ (Customer Initial) I heard or learned about this product from the source other than the Representative named below, and I brought this transaction to the Representative named below.
- ☐ \_\_\_\_\_/\_\_\_\_\_ (Customer Initial) The Representative named below recommended this transaction and I also received other third party advice regarding this transaction.

Other third party advice regarding this transaction (attach additional sheet if necessary)

#### V. ACKNOWLEDGMENT AND CERTIFICATION

22. (Customer Initial): \_\_\_\_\_/\_\_\_\_\_: I do understand the nature of this type of investment and risks associated with this investment.
23. (Customer Initial): \_\_\_\_\_/\_\_\_\_\_: I have adequate means of providing for my current and future needs and personal contingencies in view of the fact that I can lose 100% of my investment.
24. With my signature below, I also acknowledge my understanding of:
- The illiquid nature of the investment
  - Tax considerations of the investment
  - The long-term nature of the investment
  - Limited or no public market access for the investment
  - Risk of the investment, up to and including loss of principal (also refer to section "Risks" in the product disclosure document for speculative language)

Customer's Name (please print)

Customer's Signature

Date

Customer's Name (please print)

Customer's Signature

Date

Representative's Name (please print)

Registered Representative's Signature

Date

_____	_____	_____
OSJ Supervisor's or Designee's Name (please print)	OSJ Supervisor's or Designee's Signature	Date