

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for other purposes, and investments or accounts subject to substantial penalties if they were sold or if assets were withdrawn from them.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:

- It is recommended that Customer’s total investment in DPPs, REITs, Private Placements or other alternative products not exceed 25% of Liquid Investment Net Worth (may require additional information from client).
- It is also recommended that no more than 15% of Liquid Investment Net Worth be invested in any particular DPP, REIT, Private Placements or other alternative products (may require additional information from client). *Diversification can be a helpful tool for a client’s overall portfolio.*
- 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 Delivered:
(or PPM or any Product Disclosure Document) _____
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(s) 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(s) Initial)

IV. CUSTOMER SUITABILITY INFORMATION

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

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(s) Initial)

Colorado Financial's new account form is attached with this form.

_____/_____ (Customer(s) Initial)

19. Customer Experience in This Type of Product: _____
20. What is the customer's primary goal to achieve from this transaction? _____
_____/_____ (Customer(s) Initial) (attach additional sheet if necessary)

