

## Accredited Investor Questionnaire & Definitions

ALL INFORMATION FURNISHED IS FOR THE SOLE USE OF \_\_\_\_\_ (THE "CORPORATION") AND ITS COUNSEL AND WILL BE HELD IN CONFIDENCE BY THE CORPORATION AND ITS COUNSEL, EXCEPT THAT THIS QUESTIONNAIRE MAY BE FURNISHED TO SUCH PARTIES AS THE CORPORATION AND COUNSEL DEEM NECESSARY TO ESTABLISH COMPLIANCE WITH FEDERAL OR STATE SECURITIES LAWS OR TO THE EXTENT REQUIRED BY LAW.

The \_\_\_\_\_ being offered (the "Securities") by the Corporation are not registered under the Securities Act of 1933, as amended (15 U.S.C. Section 77a, et seq.)(the "Act"), in reliance upon certain exemptions from registration provided by the Act. One of the exemptions being relied upon is provided by Section 4(2) of the Act (15 U.S.C. Section 77d(2)) and Regulation D of the Securities and Exchange Commission (17 C.F.R. Section 230.501 et seq.). Regulation D requires, among other things, that prior to making a sale of any Shares, the Corporation must have reasonable grounds to believe, and shall believe after reasonable inquiry, that the offeree is an "accredited investor" (as defined). The Corporation intends to limit the purchase of the Shares to accredited investors. In order to obtain the facts needed to determine whether the Corporation may accept a purchaser's investment, it is necessary for the purchaser (the "Purchaser") to complete this Accredited Investor Questionnaire. Additional information and verifications may be sought from banks and other sources. The form should be signed, dated and forwarded to the Corporation.

First Name:

Last Name:

Address:

City, State, Zip:

Telephone #:

Fax #:

Email Address:

Your Net Worth ([click here for definition](#))

☐ Less than \$1 Million

☐ More than or Equal to \$1 Million

Please do not include the Net Worth of your Spouse unless you are completing this Questionnaire together.

Your Annual Gross Income

- ☐ Less than \$200,000  
☐ \$200,000 to \$300,000  
☐ Greater than or equal to \$300,000

☐ From You Alone      ☐ You and Your Spouse

Are You an Accredited Investor   ☐ Yes      ☐ No

ACCREDITED INVESTOR CERTIFICATE

In connection with the accompanying Accredited Investor Questionnaire, Purchaser hereby warrants, represents and certifies to \_\_\_\_\_ that he/she is the \_\_\_\_\_ (TITLE) of \_\_\_\_\_ (NAME OF ENTITY) (the "Prospective Purchaser") and that, after due investigation, Purchaser has confirmed that each of the equity owners of the Prospective Purchaser meets the requirements of an Accredited Investor as defined below.

Signature \_\_\_\_\_

Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

**Definition of an Accredited Investor**

Net worth >\$1MM

**OR**

An Individual earning at least \$200,00 for the past 2years & expects to earn the same for coming year  
OR a Couple earning at least \$300,00 for the past 2years & expects to earn the same for coming year

**Other types of Accredited Investor:**

Under Regulation D (17 C.F.R. Section 230.501 et seq.), an "accredited investor" is defined as any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

1. A bank as defined in Section 3(a)(2) of the Act (15 U.S.C. Section 77c(a)(2)), or savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act (15 U.S.C. Section 77c(a)(5)(A)), whether acting in its individual or fiduciary capacity.

2. Any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o).

3. An insurance company as defined in Section 2(a)(13) of the Act (15 U.S.C. section 77b(a)(13)).

4. An investment company registered under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.).

5. A business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940 (15 U.S.C. Section 80a-2(a)(48)) [a closed-end company, operated for the purpose of investing in securities described in Section 55(a)(I)-(3) of such Act (15 U.S.C. Sections 80a-54(a)(1) to (3)) and which makes available "significant managerial assistance" with respect to the issuers of such securities to the extent required by the Investment Company Act of 1940 and has elected to be regulated pursuant to Sections 55-65 of such Act (15 U.S.C. Sections 80a-54 to 80a-64) as a business development company].

6. 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 (15 U.S.C. Section 681(c) or (d)).

7. An employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA")(29 U.S.C. Section 1001 et seq.), (i) if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, (29 U.S.C. Section 1002(21), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or (ii) if the employee benefit plan has total assets in excess of \$5,000,000, or (iii) if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

8. A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)).

9. A corporation, partnership, Massachusetts or similar business trust, or organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)), not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.

10. A "director" or "executive officer" of the Corporation, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer. [An "executive officer" means the president, any vice president in charge of a principal business unit, division, or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Corporation.]

11. A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$ 1,000,000.

(For purposes of calculating net worth, any assets may be considered, including the fair market value of one's principal residence and automobiles. The principal residence owned by an individual should be valued either at (i) cost, including the cost of improvements, net of current encumbrances upon the property, or (ii) the appraised value of the property as determined upon a written appraisal used by an institutional lender making a loan secured by the property, including the cost of subsequent improvements, net of current encumbrances upon the property.)

12. A natural person who had an individual income (not including income of spouse) in excess of \$200,000 in each of the two most recent years and/or joint income with that person's spouse in excess of \$300,000 in each of those years and who reasonably expects an income in excess of the same income level in the current year.

("Income" may include amounts normally excluded from "adjusted gross income" such as long-term capital gain deductions, depletion deductions, interest exclusions and losses allocated to a limited partner. However, "income" is not necessarily synonymous with "revenue;" for example, a self-employed person should deduct operating expenses to give an accurate indication of income.)

13. Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D (17 C.F.R. Section 230.506(b)(2)(ii)).

14. An entity in which all of the equity owners are "accredited investors" as defined in one or more of categories B1 through B13 immediately above. (If this item is checked, please complete the "Accredited Investor Certificate" below.)

#### **Definition of Net Worth:**

##### **A. Add up all Your assets:**

1. Cash in Banks, money market, etc.
2. Stocks
3. Credit lines
4. Home Equity Line of Credit
5. Retirement accounts
6. Cash value of life insurance
7. Value of real estate owned
8. Notes & Mortgages Receivable
9. Assets held in Trust
10. Other Assets

##### **B. Total All Your Liabilities:**

1. Total of all Credit card debt
2. Mortgages on all real estate owned (including own home)
3. Notes payable (to banks, other entities, relatives)

4. Unpaid taxes
5. Amount borrowed from Lines of Credit
6. Land Contracts
7. Life Insurance Loans

C. Net Worth = A - B