

Convertible Note Investment Authorization CHECKLIST

REQUIRED DOCUMENTS FOR CONVERTIBLE NOTE INVESTMENT REVIEW

Fully **completed, dated and signed** Convertible Note Investment Authorization Form

Copy of Proposed Note with the Lender's Name on the Note

- Lender's Name on the Note should read PENSCO Trust Company, LLC, Custodian FBO (Client Name), IRA of Proposed Note with the Lender's Name on the Note
- Lender's Address should be P.O. Box 173859, Denver, CO 80217
- Maturity date must be no longer than 10 years from date of note

DOCUMENTS TO BE OBTAINED FROM THE BORROWING ENTITY

Fully **completed, dated and signed** Private Equity Investment Notification Form

Certificate of Good Standing for borrower

- Lender's Name on the Note should read PENSCO Trust Company, Custodian, FBO (Client Name), IRA of Proposed Note with the Lender's Name on the Note
- Lender's Address should be P.O. Box 173859, Denver, CO 80217
- Maturity date must be no longer than 10 years from date of note

Formation and Operating Documents

- For a C-Corp, please provide Certificate of Incorporation, Articles of Incorporation and Bylaws
- For an LLC, please provide Certificate of Organization and Operating Agreement

Copy of the Perfected and Executed Note

- Per Post Purchase Original Note Safekeeping Requirement, within 30 days from its purchase, the perfected and executed original note must be forwarded to PENSCO Trust Company for safekeeping at P.O. Box 173859, Denver, CO 80217

IF APPLICABLE

Private Placement Memorandum

Form of Warrant

Note Purchase Agreement or Subscription Agreement

- Account Owner must complete and sign the document as "Read and Approved"

Important Reminders

- + Please complete all documents (incomplete forms will delay the review and funding process).
- + Please ensure your PENSCO account has sufficient cash to fund your investment, applicable transaction fees AND account minimum cash requirements.

QUESTIONS? Call our Client Services team at 800-962-4238.

Convertible Note Investment Authorization

GENERAL INSTRUCTIONS

As Lender, the note should be payable to: **PENSCO TRUST COMPANY, LLC, CUSTODIAN FBO (CLIENT NAME), IRA.**

The Account Owner is responsible for obtaining a copy of the executed documents for his/her review and records.

PENSCO will execute subscription documents in its nominee capacity as a directed custodian/trustee; however, Investor Suitability Standards/Questions (investor accreditation) must be completed and signed by the Account Owner.

IMPORTANT NOTE: All documents that PENSCO is asked to sign on behalf of an Account Owner's Retirement Plan must be signed "read and approved" by the Account Owner in advance. ("Retirement Plan" may be substituted for "IRA" where appropriate.)

If you, a family member or another disqualified party (see Prohibited Transaction Disclosure) is an officer of or has an ownership interest in the entity in which you are investing, PENSCO reserves the right to require that you obtain an opinion of counsel from an ERISA or tax attorney regarding the matter of Prohibited Transactions. If you have questions, please consult your tax advisor prior to submitting your investment instructions.



1 SUBMITTER'S INFORMATION

FIRM SUBMITTING REQUEST	
SUBMITTER NAME (FIRST, MI, LAST)	SUBMITTER PRIMARY PHONE NO.

2 ACCOUNTS

	ACCOUNT OWNER NAMES (first, mi, last)	ACCOUNT NO.	AMOUNT	MEMO/REFERENCE
1				
2				
3				
4				
Total Amount (add lines 1-4, or total of attached spreadsheet): \$				

3 NOTE INFORMATION

LOAN AMOUNT (PURCHASE PRICE - TO BE PAID FROM ACCOUNT)
\$

CONVERTIBLE INTO: Common Stock Preferred Stock

TERMS OF THE NOTE: Interest Rate: _____ % Maturity Date: _____

4 BORROWER INFORMATION

- For a borrower that is a Corporation, LP, LLP, or other entity.

NAME OF BORROWING ENTITY			
CONTACT NAME (FIRST, MI, LAST)		TITLE AT COMPANY	
BORROWING ENTITY'S TAX ID NO.		STATE IN WHICH COMPANY IS REGISTERED	
BORROWING ENTITY'S ADDRESS			
CITY	STATE/PROVINCE	COUNTRY	POSTAL CODE
BORROWER'S PHONE NO.		BORROWER'S EMAIL ADDRESS	

5 FUNDING INSTRUCTIONS

PAYEE NAME			
STREET ADDRESS			
CITY	STATE/PROVINCE	COUNTRY	POSTAL CODE
PRIMARY PHONE NO.		OTHER PHONE NO.	

Select a funding option: Check Wire

- Please write or type wire instructions below. **SUBMITTING INCOMPLETE INFORMATION OR ATTACHING INSTRUCTIONS SEPARATELY WILL DELAY FUNDING**, as additional verification will be needed.

BANK NAME		ABA/ROUTING NO.	
BANK ACCOUNT NAME		BANK ACCOUNT NO.	
REFERENCE NO.			

6 DOCUMENT FORWARDING INSTRUCTIONS

Use the address provided in the Funding Instructions above.

Other (please complete the information below).

RECIPIENT'S NAME			
STREET ADDRESS			
CITY	STATE/PROVINCE	COUNTRY	POSTAL CODE

6 DOCUMENT FORWARDING INSTRUCTIONS (CONTINUED)

Select a document forwarding option:

Regular Mail

Overnight (charge my PENSCO Account)

Overnight (use pre-addressed air bill, included)

Overnight (sent via 3rd party carrier): FedEx UPS **Account No.:** _____

- If no box is checked, the default will be to overnight at the client's expense. Please refer to the fee schedule for details.

7 ACKNOWLEDGMENT & SIGNATURES

1. I understand that I am responsible, and PENSCO and its related entities are not responsible, for selecting and reviewing the above investment and for determining the suitability, nature, value, risk, safety and merits of the investment that I authorize PENSCO to make for my Account.
 2. I verify that I have received and read all pertinent information relating to the investment(s) named herein (i.e., note, private placement memorandum, purchase agreement, subscription documents, etc.).
 3. I understand PENSCO is not responsible for any decision regarding the retention of a note, including but not limited to: calculating or monitoring the amount of any payments (including principal, interest or other amounts payable under the note), making demands for payment, sending notices of default, monitoring or initiating conversion events as it relates to convertible note terms or taking any steps to require the borrower to comply with any other terms of the loan documents.
 4. I acknowledge that no funds will be paid to my PENSCO account if an exchange from one asset (existing asset) held in my PENSCO account is made to another issued by the same asset sponsor (new asset). I request that PENSCO update its records to reflect the conversion/exchange transaction and reflect the new asset in my account. I agree to indemnify and hold PENSCO and its related entities, affiliates and successors harmless from any and all claims, damages and losses that may result from such transaction.
 5. Once the note has converted to a Private Equity investment, I understand that distributions or dividends other than cash (i.e., distributions in-kind) paid by this investment are subject to administrative review by PENSCO. In the event that an asset paid as part of a distribution/dividend paid in-kind is determined that it is not considered administratively feasible, I may be required to remove the asset from my PENSCO account by transfer or distribution.
 6. I understand that PENSCO is not related to or affiliated with the management or selling agent(s) of the investment(s) that I have directed PENSCO to purchase for my account. I acknowledge that PENSCO has not reviewed, recommended or commented on the investment merits, risks, suitability or management of the asset(s) I have selected, and I authorize PENSCO to process this transaction. I therefore agree to release, indemnify, defend, and hold PENSCO and its related entities harmless from any claims arising out of making such investment. I also understand and agree that PENSCO and its related entities will not be responsible to take any action should the investment noted herein become subject to default, including fraud, insolvency, bankruptcy or other court order or legal process.
 7. I understand that PENSCO will request confirmation of purchase as part of its role as custodian of my account. I also understand and agree that if the asset sponsor of the investment does not provide documentation to confirm this investment, PENSCO may resign as custodian of the asset.
 8. I agree that any dispute regarding this investment shall be submitted to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association and the terms of the Custodial Agreement. I understand that the prevailing party shall be entitled to recover all legal fees, reasonable costs and expenses and that these shall be in addition to any award of damage or any other relief to which the prevailing party is entitled.
 9. I represent that the above investment is not a prohibited transaction, as defined in the Internal Revenue Code and Department of Labor regulations.
 10. I acknowledge that this investment is not insured by the FDIC, is not an obligation of or guaranteed by PENSCO and is subject to risk, including the possible loss of principal.
- **All Convertible Note investments are subject to an administrative review by PENSCO Trust Company (PENSCO). Documents and forms may be returned to you if they are not complete and signed where required. Sufficient funds must be held in your uninvested cash to make the required payment. If the funds are not available, the Account Owner will be responsible for any interest or penalties incurred.**
11. I agree that this Convertible Note Investment Authorization is further subject to all the terms and conditions of the Custodial Agreement.
 12. I understand and agree that per post-purchase original note safekeeping requirement, within 30 days from its purchase, I will forward the perfected and executed original note to PENSCO Trust Company for safekeeping at PO Box 173859, Denver, CO 80217-3859.

SIGNATURES REQUIRED ON NEXT PAGE.

- All Convertible Note investments are subject to an administrative review by PENSCO Trust Company (PENSCO). Documents and forms may be returned to you if they are not complete and signed where required. Sufficient funds must be held in your uninvested cash to make the required payment. If the funds are not available, the Account Owner will be responsible for any interest or penalties incurred.

PLEASE SIGN, DATE AND PROVIDE ALL REQUESTED INFORMATION.

ACCOUNT OWNER/DESIGNATED REPRESENTATIVE SIGNATURE		DATE
PRINTED NAME		
PRINTED NAME		
PRINT NAME	ACCOUNT NO.	
NAME OF INVESTMENT	INVESTMENT AMOUNT \$	

Upload forms to:
www.pensco.com/upload

Fax to: 303-614-7051

Send mail to:
 PENSCO
 P.O. Box 173859
 Denver, CO 80217-3859

For express deliveries:
 PENSCO
 1560 Broadway, Suite 400
 Denver, CO 80202-3331

Questions?
 Call 800-962-4238

PENSCO Trust Company performs the duties of an independent custodian of assets for self-directed individual and business retirement accounts and does not provide investment advice, sell investments or offer any tax or legal advice. Clients or potential clients are advised to perform their own due diligence in choosing any investment opportunity as well as selecting any professional to assist them with an investment opportunity. Alternative investments are not FDIC insured and are subject to risk, including loss of principal.

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE