Four Points Funding
Investing in Opportunity Zones Throughout Rural Colorado
Four Points Funding seeks to drive investments across Colorado Opportunity Zones (OZs), unlocking nascent value in a myriad of growing rural communities.

The investments are in areas already primed for great returns, are cash-flowing, and are bolstered by the tax benefits of investing in OZs.

We will lead impactful community transformation by leveraging multiple investments in coordination with locally driven planning.
Investment Strategy

Return Driven

Impact Motivated

More of what we are already doing

Assets range from housing to hotels to asset-backed operating businesses

Substantial improvement of land use that also create cash-flowing assets

Target communities have clear demand drivers and opportunities

We want to invest in already great opportunities and bolster returns with OZ tax benefits
Investment Thesis

Rural Colorado contains strong characteristics for high return projects

Our targeted geographies have:

- A strong realized and forecasted growth rate
- An independently strong economy
- Undervalued assets supporting strong need in the community
- Educated labor force
Natural Pipeline for OZ Deals

2-year pipeline suggests a clear path to place ~$200M in equity

We partner with best-in-market developers to lead each investment

We have the community support to de-risk developments

Pictured: Some of our key OZ communities
How it Works

Roll Gains Forward
Roll gains of any kind, including gains from stock or real estate, into a Qualified Opportunity Zone Fund. Unlike 1031 exchanges, only gains need to be rolled forward, allowing investors to extract their original basis.

Defer Taxes
Defer taxes on Gains realized today until 2026. This allows investing dollars that would otherwise be paid as taxes to increase your initial investment size, and ultimately your gains.

Reduce Taxes
If the investment is left in qualified OZ investments for 5 years, there is a 10% forgiveness of the 2026 bill. After 7 years, an additional 5% is forgiven for a total of 15% reduction in the deferred taxes due.

Eliminate Taxes
After 10 years, all capital gains made within the opportunity zone can be realized tax free. That’s 100% forgiveness of taxes for gains made in the OZ, resulting in as much as a 40% boost to returns.
Who Can Invest

Capital Gains
Anyone* with short or long-term federal capital gains may invest into a Qualified Opportunity Zone Fund

180-Day Investment Period
Gains must be invested into a Qualified OZ fund within 180 days of realizing gains

Partnership Gain Exception
Partners of pass-through entities have the option to invest gains either within 180 days of the entity's gain recognition, or within 180 days of the last day of the entity's taxable year in which the gain was incurred

* Rural COZ Fund I is only able to accept Investment from Accredited Investors at this time
1031 Comparison

• Defer gains from sale of any property not just 1031 property

• Separate basis from gains and exit 1031 hamster wheel

• 180 days to roll into OZ fund eliminates rush to identify next investment

• No qualified intermediary required in OZ

• Some key OZ restrictions do exist
  • Must double basis in invested property
  • Can not be from sale of related party
Sample OZ Benefits Analysis

Projections show a **$2M investment** in a sample project with and without OZ Benefits.

**$1,231,174 Net Increase – 31.96%**

**Assumptions**
- 23.8% Cap Gains Tax Rate
- 35% Income Tax Rate

<table>
<thead>
<tr>
<th></th>
<th>OZ</th>
<th>Non-OZ</th>
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</thead>
<tbody>
<tr>
<td>Return of Cap</td>
<td>$2,000,000</td>
<td>$1,524,000</td>
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<tr>
<td>Net Income</td>
<td>$1,669,749</td>
<td>$1,272,348</td>
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<tr>
<td>Net Gains</td>
<td>$1,817,964</td>
<td>$1,055,590</td>
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</table>

**Total Income & Gains Returned**

- **OZ Returns**: $5,083,113
- **Non-OZ Returns**: $3,851,938
Structure of Investments

Investors invest in Rural COZ Fund I

Fund invests in multiple Qualified Opportunity Zone Investments

10 year+ hold period expectation

Appropriate hurdle rate relative to cash flow expectations

Rehabilitation and New Development:

Commercial – possibly tied to specific businesses

Residential – single family and multi family workforce housing

Mixed-Use – combined residential and commercial

Asset-Based Businesses – place based businesses deriving revenue from the assets on the property
Fees

Always simple and transparent

Designed for long-term, cash-flowing investments

Management fees hit hard cliff after year 5

Terms

- Minimum Commitment: $100,000
- Term: 15 years

Fees and Expenses

- Per Fund Setup Fee: $50,000
- Asset Management Year 1-3: 2%
- Asset Management Year 4-5: 1%
- Carried Interest: 20%
- Hurdle Rate: 8%
- Catch Up: 50%
- No Transaction Fees
- No Related Party Fees
The initial portfolio of investments contemplates the need for ~$200M in equity funding to support approximately $500M in development projects over the next five years.


Base case proforma shows 10-14% IRR (net of fund fees) prior to calculating OZ benefits.

Assets generate income at stabilization with cash distributions expected to begin as early as year 2 due to development timelines and forecasted demand.

100% equity deployment occurring at fund conception.

Projected investment time period is 10 to 12 years.
Our team has a strong investment and operating background. Our experience spans real estate investment, venture investing and large operational management.

We played a major role in creating opportunity zones in Colorado and have unparalleled access to both impactful and high returning investments.

We know these communities well as we are part of them. We have strong community knowledge and partnerships to deploy large amounts of capital aligned with community interests.

We are major drivers of the rural startup ecosystem and will continue to help grow these communities outside of only investing in OZs.
Chris has been investing in real estate for the last 13 years, leading investment of $104M in over 740 assets. Chris developed the most active distressed real estate investing firm in Western Colorado.

Chris is a founding partner of 4PF and active Angel Investor in startup businesses in rural Colorado. Prior to full time investing, he was the founder and CEO of a Austin-based IT company which developed data driven web applications.
Following the sale of his first tech company, Shawn enjoyed a career in technology that provided experience ranging from startup to super-global-mega-corp.

Managing global teams and high-availability platforms delivering millions of daily transactions through multiple mergers helped Shawn hone process discipline and personnel management skills that he has been applying to investing and mentoring in rural Colorado since helping found 4PF.
Stephanie joined 4PF in January of 2019 after serving Governor Hickenlooper on his cabinet leading economic development. While at the state, Stephanie led the team evaluating and designating Opportunity Zones in the state and has become one of the country's thought leaders in activating this investment incentive.

Prior to her role with Governor Hickenlooper, Stephanie spent over 25 years in the telecom sector building companies both in the US and in Europe, most recently as President of the Zayo Group.
Thank You

www.fourpointsfunding.com
DISCLAIMER

General Disclaimer

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Any decision to invest must be based solely upon the information set forth in the Offering Documents, regardless of any information investors may have been otherwise furnished, including this presentation. An investment in any strategy, including the strategy described herein, involves a high degree of risk. There is no guarantee that the investment objective will be achieved. Past performance of these strategies is not necessarily indicative of future results. There is the possibility of loss and all investment involves risk including the loss of principal. Securities of the Fund are not registered with any regulatory authority, are offered pursuant to exemptions from such registration, and are subject to significant restrictions.

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Endnote 1

The prior activities of the principals of the General Partner are presented for informational purposes only. It is possible that the Fund’s portfolio will not be comparable to, or achieve profits and losses similar to, the prior investments made by the principals. The General Partner makes no implications, warranties, promises, suggestions or guarantees whatsoever, in whole or in part, that by participating in any investment of or with the General Partner you will experience similar investment results and earn any money whatsoever. Additional information regarding the prior activities of the principals is available upon request.

Endnote 2

The description herein of the approach of the General Partner and the targeted characteristics of its strategies and investments is based on current expectations and should not be considered definitive or a guarantee that the approaches, strategies, and investment portfolio will, in fact, possess these characteristics. These descriptions are based on information available as of the date of preparation of this document, and the description may change over time. Past performance of these strategies is not necessarily indicative of future results. There is the possibility of loss and all investment involves risk including the loss of principal.

Endnote 3

The summary provided herein of the Fund’s terms and conditions does not purport to be complete. The Fund’s Memorandum and related Offering Materials should be read in their entirety prior to an investment in the Fund.
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<thead>
<tr>
<th>Equity Into Project</th>
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<td>Pre-tax Gains to Invest</td>
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<td>Percent Project Ownership</td>
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<th>Non-Opportunity Zone Investment</th>
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<table>
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<tr>
<th>Returns</th>
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<td>Return of Capital</td>
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<td>Capital Gains at Sale</td>
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<td>Pro Rata Gains pre tax</td>
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<td>Net Gain after Tax</td>
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<td>Approx. Income Tax</td>
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<td>Net Income After Tax</td>
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<td>2026 Tax Bill</td>
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<td>Total Post Tax Return</td>
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<tr>
<td>Increased Total Return</td>
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<td>Percent Increase in Total Return</td>
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