

CO | IMPACT DAYS

DUE DILIGENCE REPORT:

Silvernest

March 3, 2016

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Executive Summary: Silvernest

MISSION STATEMENT

Silvernest is a unique roommate matching service designed for Baby Boomers and Empty Nesters who have (or need) a home to share.

IMPACT AREA(S)

Affordable Housing; Aging; Healthy Living

Silvernest is focused on creating a new affordable housing model that makes homeownership possible, daily life more comfortable, and companionship more accessible for our aging population. More than 10,000 people turn 65 in the U.S. every day, creating an unprecedented number of elderly people struggling to live comfortably post-retirement. And those numbers are expected to grow from 109 million today to 132 million by 2030, creating a substantial impact in everything from healthcare to affordable housing. While economic viability post-retirement is critical to this Baby Boomer generation, more than ever before, this population puts a premium on their ability to "age-in-place".

With nearly 300 registrations in the inaugural three months, Silvernest's 2016 goal is an additional 1,200+ successful roommate matches in Colorado. This will translate into a potential savings of \$10 million for renters and estimated income of \$15 million for elderly homeowners in Colorado.

PROJECT DESCRIPTION

In October 2015, Silvernest launched a scalable, innovative online solution (www.silvernest.com) to connect aging homeowners with pre-screened, qualified housemates based on detailed profiles and selected preferences. Its secure platform includes a holistic user experience that takes homeowners and renters through the full lifecycle of their new partnership, including background and reference checks, video interviews, mediation requests, state-specific leases, and automated rent payments.

Silvernest strategically launched in Colorado as a geographically-centered pilot to evaluate profitability and marketing success before scaling nationally. Currently, Colorado is one of many states facing a critical housing crisis, with rents skyrocketing and options becoming unaffordable for the elderly at a time when many lack the retirement savings necessary to live comfortably for the two to three decades expected after retirement.

INVESTMENT OPPORTUNITY

Silvernest is seeking an additional \$3.2 million in 2016. This amount will allow the company to:

- refine the current product and user experience with new technology features;
- scale and expand into 6-8 additional markets by the end of 2017; and
- hire critical staff to enable successful product development and market expansion.

In exchange for an early investment, the seed round investment of \$200 thousand will have terms that incorporate conversion features that include a 20% discount, a \$5 million valuation cap and automatic conversion into Series A equity. We expect investors to recognize a minimum return of 5-10 times their original investment. Our goal is to expand our marketing efforts nationally in 2018, achieve self-sustaining profitability by 2019, and grow to a \$1 billion entity by 2025, well-positioned for a strategic acquisition in the next 5 to 7 years.

Due Diligence Report and Training Module Critical Components of Evaluation and Rationale for Investing

Organization Contact Info

Silvernest

Wendi Burkhardt, Co-Founder & CEO

www.silvernest.com

wendi@silvernest.com

Impact Statement

- *The Impact Statement provides information and related data about the social or environmental challenge the organization is attempting to solve. Look for strong and consistent data that demonstrates numbers impacted and urgency, as well as an accurate description of the problem.*
 - *Identify how this organization is addressing the challenge and why this approach will solve the problem.*
 - *Traditional investors are accustomed to measuring results in economic values; many nonprofits and social ventures measure results in non-monetary terms (i.e. graduation rates, number of meals served, etc). Despite this common disconnect, how an organization measures outcomes and impact is critical to the success of the project and your ability, as an investor, to report on impact achieved. Evaluate the Impact Statement for how progress will be monitored over time, what data will be collected, and whether a process and staff are in place to conduct this evaluation.*
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The average U.S. life expectancy has risen to nearly 79 years of age, and more than 10,000 people turn 65 in the U.S. every day, creating an unprecedented number of elderly people struggling to live comfortably post-retirement. According to AARP, by 2030, the U.S. population aged 50+ will increase from 109M today to 132M. Of this population, 70% are currently homeowners and 90% desire to live in their home for the rest of their lives. Importantly, these numbers create a substantial impact in everything from healthcare and mental health to affordable housing and entertainment.

Currently, Colorado is one of many states facing a critical housing crisis, with rents skyrocketing and options becoming increasingly unaffordable for the elderly. The median rent price in Denver is high at \$2,031 (\$1,300 for a one-bedroom, one bath), rising from \$1,952 the previous year. The rate of increase in rent has slowed in Denver, expected to only be 4% this coming year, still representing the fifth highest increase in the country. Most vulnerable to the high cost of living are the elderly whose retirement savings is smaller than their years require, divorcees, widows and widowers, and others experiencing life transitions. At Silvernest, we understand that this leaves many retirement-age Coloradans - who have worked hard their entire lives in our community - financially vulnerable and isolated, and worse yet, forced to leave their homes.

Silvernest helps solve this problem by allowing aging homeowners to securely share their home as a rental property, simultaneously increasing the number of affordable housing options in the market. Currently on Silvernest.com, the average rent for a 1 bedroom, 1 bath apartment is \$760, which equates to a renter savings of approximately \$545 per month and a yearly savings of \$6,540. In addition, at this rental rate, homeowners can increase their annual income by nearly \$10,000 - empowering them to stay in the home they love.

Also fueling our success, is the house-sharing model's ability to help individuals avoid social isolation, which has a direct correlation with happiness and premature death. A recent study found that living alone increases your chance of premature death by 24% among people 45 to 65 years of age.

The timing of this solution is critical as the aging population grows rapidly and demands a greater amount of social services, including access to healthcare, mental health, affordable housing, and more. With more than 500 registrations since our launch in October, Silvernest's goal for 2016 is an additional 1,200(+) successful matches made in Colorado, resulting in a potential savings of \$10 million for renters and \$12 million in income for homeowners.

Silvernest is exploring ways to measure impact in addition to increased income such as improved health and longevity. They are engaged in conversations to create a research study on this topic and hope to create quantifiable data to support this intended impact.

Additional Questions You Might Ask:

- How are you measuring impact on your target audience other than by matches made?
- What specific social impact goals (i.e. isolation) do you plan to achieve?
- How are you capturing feedback from users?

Business Description

- *The Business/ Project Description should provide a potential investor with an understanding of the approach taken in resolving the problem, illuminating how the solution addresses the needs of the market and the opportunity.*
 - *Use this section to learn how the model works, what best practices were leveraged to create the model, and what the organization's plans are for launching or growing its solution.*
 - *The organization should have identified both the merits of the approach, as well as real risks. It should also be able to share any risk mitigation plans.*
 - *Critical to your investment decision will be an understanding of the target market, market size for this opportunity, and how the organization plans to engage its audience.*
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At Silvernest, our team merges the desire to age-in-place with the new sharing economy. Many non-profits and government agencies have attempted to connect people who would like to share a home, however, lack of funding, administrative costs and their inability to contract with private companies have thwarted their efforts. The good news is that recent economic shifts, technological advancement and a wave of disruption over the last five years are turning U.S. business upside down. This shift has ushered in a series of new and highly successful business exchanges - like Uber, AirBNB and others - who organize the sharing economy. With growing momentum, Silvernest is positioned to leverage these significant cultural trends, our aging population, and our society's drive to share.

By employing the best of technology from Match.com, Airbnb and Care.com, Silvernest has developed an easy-to-use online solution, currently being piloted in Colorado and ready to scale nationally at a very low cost. The Silvernest team has expanded upon best practices developed by such roommate matching services as Roomster.com, Roomates.com, and Roomi.com, as well as do-it-yourself alternatives such as Craigslist and the classified ads. Additionally, a handful of matching services specifically target the Baby Boomer generation, mostly focused on serving females (i.e. Roommates4Boomers.com and the Golden Girls Network). Leveraging lessons learned from these endeavors, Silvernest is the first to deliver a robust, safe online process that covers all aspects of the rental partnership for the Baby Boomer generation (men and women).

The online process is simple on Silvernest.com, important for elderly customers with limited technology savvy. Homeowner steps include:

- Build a profile and describe what you are looking for in a roommate
- List your home so potential renters can find it based on their search criteria
- Silvernest prequalifies each renter then sends an email alert
- Review interested renter profiles

- Interview roommate candidates
- Request references
- Create your lease
- Manage automated rental payments

The sources of revenue are derived from a combination of one time fees as well as monthly recurring fees for enhanced services. The current fee structure is outlined below.

- \$99 Homeowner Service Fee - a three month subscription allowing listing of property and unlimited matching of pre-screened, pre-qualified housemate candidates.
- \$29.99 Housemate Application - a three month subscription that includes a background check, access to unlimited listings and homeowner matching services.
- \$1.99 Lease Fee - a monthly fee to use the on-line lease creation and management system
- \$1.00 AutoPay Fee – a monthly fee for access to on-line payment service that allows automated payment to homeowner via credit card or bank transfer.
- Silvernest is exploring a variety of additional revenue sources including annual renewal fees, and an expansion of ongoing services including considerations such as renter insurance.

Silvernest has a low and simple pricing model and the current fee structure is outlined below:

The Silvernest service is offered to both male and female homeowners/customers who are aged 50+ (Baby Boomers and the Silent Generation) while the prospective renters can be both male and females of any age desired by the homeowners. Our early results and responders suggests that the homeowner will have an average age of 58-65 with a composition of 66% female/34% male, and the renters have an average age of 47 with a composition of 54% female/46% male. It is also our hypothesis that the primary decision maker/consumer will be employing the service both for themselves but may also be employing the service on behalf of their aging parent. (Further data is being captured on this assumption.)

This huge, untapped market is driven by a deep desire to live out their days in their own home. The aging-in-place technology market for Baby Boomers and beyond has been estimated by some to grow to \$20 billion by 2017 or even \$30 billion by 2020, and the shared economy represents a \$3.5 billion unrecognized contribution to our GDP this year with 25% per annum growth projected. At the intersection of these categories, homesharing as an aging-in-place alternative has a current market size of \$1.1B with an estimated growth rate of 18% in the next 15 years.

Employing a fully defined marketing strategy, Silvernest is using a combination of tactics to reach both the prospective homeowners (7.4 million Baby Boomers) as well as the potential renters. In the initial product launch, Silvernest is primarily targeting mature consumers with a core focus on women 45+, leveraging an integrated mix of marketing levers including:

- Public Relations – a strategic third party vendor has been secured to support a fully executable PR plan that is highly targeted at both the local and national level
- Online Marketing and Social Media – a strategic 3rd party vendor has been secured to support a fully designed online marketing strategy including the development and management of all social media properties (Facebook, Twitter, LinkedIn), SEO as well as a targeted online advertising strategy
- Offline Marketing – community outreach, print advertising, guerilla marketing including neighborhood canvassing and event targeting
- Strategic Relationships including the National Council on Aging (NCOA), AARP, Aging 2.0, The Society of Certified Senior Advisors, local churches and specific city and state agencies that focus on housing and seniors

All tactics are focused, both geographically and demographically, to efficiently and effectively connect with this audience where it's most relevant and meaningful, all with the intent of introducing Silvernest, building awareness and driving adoption. A high level of early exposure and notable press have already been achieved, including:

- Named a "Top 50 Company to Watch in 2016" <http://www.builtincolorado.com/2016/01/22/50-colorado-startups-watch-2016>
- Nomination for Colorado's Inaugural Innovation Awards with Governor Hickenlooper <http://www.innovationnews.com/Innovation-Pavilion-announces-nominees-for-Feb-10-Innovation-Awards/>
- Selected as one of 18 emerging aging-in-place companies to present at the Aging 2.0 investor event held in San Francisco in January 2016.
- Invited to present at the Aging in America Conference in Washington, D.C. in March 2016
- Invited to present at the Annual Certified Senior Advisor Conference in Washington, D.C. in August 2016 <http://www.csa.us/?page=CSAConference>

Current competition ranges from services focused only on roommate matching such as Roomster.com, Roomates.com, and Roomi.com to do-it-yourself alternatives such as Craigslist and the classified ads. Additionally, only a small few of the matching services specifically target the Baby Boomer generation, and those that do tend to focus on females. These include Roommates4Boomers.com, the Golden Girls Network as well as many small, local state agencies.

Silvernest's service is differentiated in that it is marketed to both male and female Boomers interested in homesharing, and it offers a robust set of tools for a seamless experience, without manual overhead to enable the process. Silvernest's unique service differentiators include:

- A proprietary compatibility matching algorithm
- Comprehensive background screening, including eviction history
- State specific leases
- Payment management tools including automatic deposit for rent payments
- First to market advantage with a fully enabled online solution

In addition to the competitive risks identified above, Silvernest recognizes that the introduction of a homesharing or having a roommate later in life is fairly disruptive to the conventional norms of aging. It is therefore critical that the user experience is easy and safe to encourage early adoption of this suggested alternative for a new age of roommates, and that early testimonials are acquired to help demonstrate the positive impact of homesharing.

Additional Questions You Might Ask:

- Where are Baby Boomers currently going for their housing options?
- How will social services like AARP, local providers for the elderly, or healthcare providers partner with you?
- Can aging Baby Boomers lacking Internet service participate? Potentially through local partnerships? Your 800 number?
- Are you marketing differently to homeowners and renters?
- What is the risk that competitors will adopt a similar model and what are the plans to grow and scale quickly enough to deter rivals?

Organization Background

- *The Organization Background might provide guidance on how experienced and sustainable the organization and its proposed project are.*
- *Look for information about the inspiration for the concept, how long the team has been committed to this mission, upcoming milestones or goals, and a track record of past successes.*
- *For many early-stage start-ups, you may need to combine the information garnered here with more specific biographical information on the team leads (described next).*

Co-founder Chuck McKenney, inspired by his work developing an alternative housing model for Alzheimer's patients, developed the concept for Silvernest in 2014. Leveraging the mission-driven entre-

preneurial skills of his wife Debra Mckenney and technology start-up guru Wendi Burkhardt, the three self-funded, or bootstrapped, the launch of Silvernest In January 2015 with a combined personal investment of \$200,000.

The Silvernest team made a strategic decision to pilot its online tool in the community where they live and work before scaling its marketing efforts nationally. A Colorado pilot launched in October 2015, and registered nearly 500 homeowners and renters in the first 90 days. Leveraging the experience and feedback of its Colorado users, Silvernest has been working to enhance functionality and fine-tune its national marketing plan for 2016 and beyond.

Upcoming goals include:

- Successful completion of funding the seed round no later than April 1st, 2016
- Continued month-over-month growth at a rate of 40% or higher
- Successful completion of Series A funding by Q4 2016
- Launch of the Silvernest Mobile App by end of 2016
- Launch of 1 additional market by the end of 2016
- Launch of 5-7 subsequent markets in 2017
- Critical staffing hires in 2017 including a CTO and in-house development
- Potential Series B funding in mid 2017
- National marketing launch in 2018

Additional Questions You Might Ask:

- How did you choose your next eight markets? Will the organization expand to open offices in additional states?

Leadership

- *Who are you counting on to achieve planned impact and financial return on your investment? Not only do you want to know the background and experience of key team leaders, but you should gain a good understanding of the day-to-day role they play and hours they invest on the project to be funded.*

The Silvernest leadership team is currently comprised of experts in the fields of technology, real-estate and health care including:

Wendi Burkhardt, CEO and Co-Founder (<https://www.linkedin.com/in/wburkhardt>)

Wendi has more than 25 years of technology experience working with venture start-ups, emerging tech-

nology offerings, rapid-growth tech firms and Fortune 500 corporations. She spent a year working with Home Instead, a \$1B in-home, senior care corporation as a key client. She is a seasoned entrepreneur as well as a mentor and coach to social ventures. Wendi holds a degree in International Trade & Finance from Louisiana State University, and has completed an executive education program at Northwestern University's Kellogg Graduate School of Management

Chuck McKenney, Co-Founder

Chuck's background includes more than 35 years of experience in private equity and commercial real estate, with a current focus on developing alternative housing options for Alzheimer's patients who desire an alternative to institutional options. This experience was the inspiration for the original concept for Silvernest.

Debra McKenney, Co-Founder

Debra is the successful founder of Smart-Girl Inc., a nonprofit designed to "support and inspire all girls to become capable, confident, self-reliant young women". Smart-Girl was recently acquired by Arapahoe County Health Systems.

Kelly Hickey, CFO/COO (<https://www.linkedin.com/in/kelly-hickey>)

Kelly has more than 20 years of finance and accounting experience spanning from venture start-ups to large public companies. As the recent VP of Accounting for Datalogix, a venture-backed data company, she managed the successful acquisition of the company by Oracle. Prior to Datalogix, she served as the VP Finance and Corporate Controller for RE/MAX, managing all private equity and debt transactions, acquisitions, financial and strategic planning, and an initial public offering. Her past experience also includes being the VP of Finance and Accounting for Oxlo Systems Inc., a venture backed start-up software company, senior accounting and finance roles for Spectralink Corporation, and 7 years with Arthur Andersen, LLP. She holds a degree from the University of Colorado with a BA in Accounting and Marketing.

Chase Terwilliger, Director of Product & Business Development

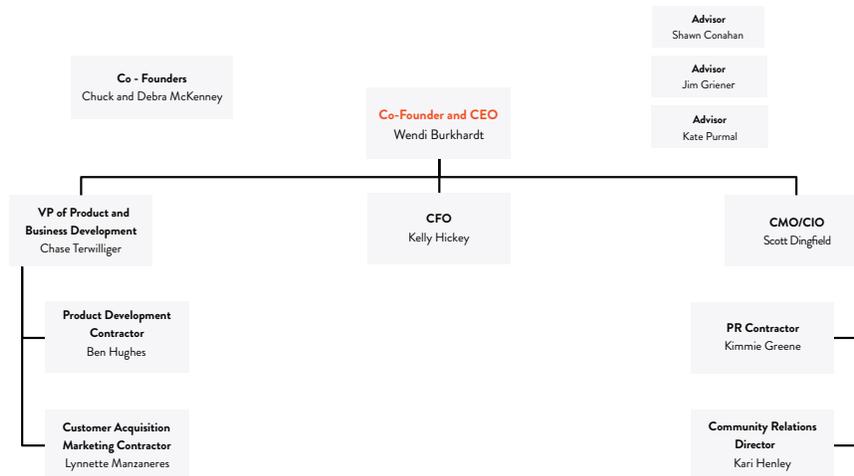
(<https://www.linkedin.com/in/chase-terwilliger-8ba90014>)

Chase joined Silvernest following a successful career path in the healthcare industry. Having held previous management positions within Fortune 100 companies and venture-backed start-ups, Chase brings a wealth of experience in product enhancement, consumer engagement, sales and marketing. His last venture, in which he was a co-owner, was successfully acquired by Johnson & Johnson in February of 2015. Chase holds a bachelor's degree in Integrative Physiology from the University of Colorado- Boulder and graduated cum laude with an MBA from W.P. Carey School of Business at Arizona State University.

Advisory Board:

- Shawn Conahan (<https://www.linkedin.com/in/shawnconahan>)
- Kate Purmal (<https://www.linkedin.com/in/kate-purmali-922133>)
- Jim Greiner (<https://www.linkedin.com/in/jimgreiner>)

In addition, corporate counsel for Silvernest is currently Modus Law of Boulder, Colorado, and Silvernest has secured Kurtz Fargo LLP, CPA, also of Boulder, Colorado for financial assurance and tax services.



Additional Questions You Might Ask:

- Which of the current leadership team work full-time at Silvernest? What is their role?
- For those not working full-time, how do they participate?
- What is the role of the advisory board? How often do they meet?

Financials

- *Learn more about the development and assumptions behind financial projections*
- *Learn how the financial operations are connected to the business strategy*
- *Gain insight into how valuation was forecast*
- *Identify comparable companies and evaluate their performance*

The capital raised in Series A financing will be employed to launch eight subsequent, targeted markets in a sequential manner. With a planned a monthly investment ranging from \$17,000 to \$25,000 per mar-

ket the capital will be used specifically to reach the following benchmarks:

a) Customer acquisition of eight new target markets in a 12 month time frame. In addition to the Denver Metro Area, the eight targeted markets have been identified as follows:

- | | |
|-------------------------|---------------|
| a. Portland | e. Chicago |
| b. San Francisco | f. Louisville |
| c. Indianapolis | g. San Diego |
| d. Minneapolis/St. Paul | h. Austin |

b) Continued investment in product development to enhance the user experience with the features, thereby allowing Silvernest to maintain a competitive advantage in market:

c) Critical staffing to include in-house development, as well as key marketing and technology executives. This includes the following key planned hires:

- Chief Marketing Officer
- Chief Technology Officer
- VP of Operations
- System Engineers and Data Base Administrators
- Market specific marketing managers and customer service representatives

	2015 Actuals (Unaudited)	2016 Projection	2017 Projection	2018 Projection	2019 Projection	2020 Projection
Revenue	\$ -	\$ 47,000	\$ 1,001,000	\$ 8,445,000	\$ 38,435,000	\$102,964,000
Product Expense (COGS)	4,000	55,000	592,000	3,122,000	13,469,000	34,335,000
Gross Margin	(4,000)	(8,000)	409,000	5,323,000	24,966,000	68,629,000
Gross Margin %			41%	63%	65%	67%
Operating Expenses	231,000	493,000	2,469,000	5,384,000	14,924,000	21,419,000
EBITDA	\$ (235,000)	\$ (501,000)	\$ (2,060,000)	\$ (61,000)	\$ 10,042,000	\$ 47,210,000

The projections include direct costs, customer service and operational expenses to support the product (Cost of Goods Sold "COGS"). Such COGS are comprised primarily of personnel and related expenses as well third-party application, hosting and professional fees. The projections also include operating expenses with the highest amount spent on customer acquisition and marketing followed by product development and general administrative. This spend is focused on offline and digital advertising, personnel and related costs along with standard operating expenditures. (**Please note that detailed financial information exists as separate and available documents for the review of specific financial projections and capitalization. These documents can be shared with investors upon request and a signed NDA.**)

Additional Questions You Might Ask:

- What assumptions were used to make the financial projections?

Investment Opportunity

- *Impact investing empowers investors to achieve a social or environmental impact, while simultaneously generating a financial return on the investment. No matter the size, that return then enables the investor to reinvest it in scaling the original project or a new initiative or innovation. So vetting the details of the deal is critical to the investor's ability to sustain and scale impact.*
 - *Understand the details of the specific deal*
 - *Evaluate the relationship of dollars to impact directly (if possible)*
 - *Gather information about past rounds of financing (if possible) to understand ownership and the relationship of this request to other funding*
 - *Note that the deal may evolve over time, and make your assumptions and projections with that in mind*
-

The co-founders of Silvernest bootstrapped the launch of the company with a total personal investment of \$200,000. To support immediate growth goals, Silvernest is actively working to secure \$200,000 in seed capital to close out an initial financing round of \$300,000. The first \$100,000 of this \$300,000 round was successfully secured on January 15, 2016, employing a Convertible Note. The terms for this round and corresponding Note are as follows:

- 6% simple interest
- 20% discount on the price per share at the Series A financing
- \$5M valuation cap on the convertible promissory notes (Please note that pre/post money valuation for a Series A has not yet been determined.)
- Conversion upon Series A or payable January 15, 2017

The additional seed capital will be employed to further validate the proof of concept in the Denver metro area and to refine both the user experience and marketing tactics to ensure the ability to seamlessly scale into the next eight target markets (mentioned previously). It should be noted that the product is fully operational at a national level, but the company has intentionally isolated marketing efforts to a single market (the Denver area) to both test the validity of concept and the marketing strategy prior to scaling into the planned subsequent markets.

In addition to finalizing the seed round, Silvernest plans to initiate a Series A Preferred Stock round totaling \$3.0 million in the second quarter of 2016 to be closed no later than September 30, 2016.

Silvernest has a Cap Table, but this will be shared only with very interested investors and is not available publically at this time.

Additional Questions You Might Ask:

- Which of the current leadership team work full-time at Silvernest? What is their role?
- For those not working full-time, how do they participate?
- What is the role of the advisory board? How often do they meet?

Legal

- *Learn more about any legal risks, protected property or intellectual rights and risks that may affect the future of the project*
- *Understand how the organization views the legal ramifications for its business, operations, proprietary information and future positions*

TRADEMARK: Silvernest is a registered U.S. trademark, and trademark notices are used where desirable. No competitors using similar terms have been identified.

AGREEMENTS: Currently an Operating Agreement exists between the co-founders of the business, Wendi Burkhardt and the McKenney Member (Chuck and Debra McKenney). In addition, three (3) advisory board agreements exist which contain a designated allocation of equity in exchange for their committed term. All agreements are available for review to interested investors.

In addition, Silvernest has both formal Non Disclosure Agreements as well as Independent Contractor Agreements in place with all contractors and vendors ensuring protection of proprietary information and materials as well as ownership of all assets developed on behalf of Silvernest.

RISKS: One of the more critical risks centers around potential conflict in the homesharing relationship and agreement. Therefore, using the best in breed service providers, Silvernest has works to eliminate risk by fully profiling both homeowners and potential renters through robust background screens and identity verification, as well as through the compatibility matching algorithm. However, we acknowledge that there are situations that can not be fully anticipated which may cause conflict in the home-sharing arrangements.

To this regard, Silvernest has worked closely and extensively with legal counsel to study other business that are subject to similar risk (such as AirBNB, Care.com and Match.com), and to use their historical incidents as precedent for how to best manage potential conflicts and disputes. To address this potential issue, Silvernest has worked to include detailed and thorough disclosures to the consumers in both the

Consumer Tips and FAQs as well as in the standard Terms of Use, including a limitation of liability for circumstances beyond reasonable control of the business.

Additionally, a state compliant lease template was specifically designed with legal oversight and input for employment in this type of homesharing arrangement. This lease is designed to help both parties easily resolve a conflict and terminate the relationship more readily than may be available in a standard tenant/landlord lease. To further help mitigate any issues that might arise, Silvernest is working closely with local available resources who could support both parties in the arrangement in the event that mediation may be necessary.

In the future and with additional funding, Silvernest intends to implement an insurance policy offered to Silvernest customers to help offset incurred costs due to conflicts.

PATENTS AND INTELLECTUAL PROPERTY: Employing best in class technology similar to those used by AirBNB and Match.com, Silvernest has developed a sophisticated and robust technology platform that is highly scalable for rapid growth. While there are currently no patents on the software, the proprietary algorithm for the compatibility matching may offer potential for patentable intellectual property. Additionally, several key product enhancements scheduled on the Product Roadmap offer the possibility for patent should this be necessary.

It has been further suggested that the unique and customized lease template could be copyrighted for protection. The team is therefore working with legal counsel to identify areas of opportunity to secure and patent/copyright portions of the technology IP as well as the customized lease template as a defensible barrier to entry by competitors.

Additional Questions You Might Ask:

- Are there tax or additional liability issues that may affect these rental relationships?
- What will keep competitors from replicating this model?

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