

CAPITOL ACCEPTANCE CORPORATION

2424 Kennedy Street NE, Minneapolis, MN 55413

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Email: Info@CapitolAcceptance.com

Website: www.CapitolAcceptance.com

IRA SUBSCRIPTION AGREEMENT

1. INVESTMENT INFORMATION: Enclosed is \$_____ for the purchase of a Time Certificate(s). (Minimum investment is \$1,000.00). **Make checks payable to Capitol Acceptance Corporation.**

a. **Term of Certificate:** ☐ **Three Years at 1.25%** ☐ **Five Years at 2.25%** ☐ **Ten Years at 3.50%**

b. **Interest:** ☒ **Compounded Quarterly**
Interest payable at maturity is
compounded quarterly and reported
annually for income tax purposes.

c. **IRA Account Purchases of Certificates:**

Certificates purchased by IRA accounts have the following additional features and restrictions:

Interest Payable at Maturity Only. Interest will compound quarterly and will be payable only at maturity. Such Certificates will not permit interest to be paid currently.

Early Redemption Penalty. Early redemption will be permitted on five year and ten year Certificates; provided, however, the Company will be entitled to require proof of age in connection with any early redemption request and will also require representations from the holder that the redemption is required to meet minimum distribution requirements under the Internal Revenue Code. In addition, the Company will limit the early redemption of Certificates to 10% of the Certificate's current value and assess a 5% penalty on the redemption amount both of which will be calculated upon principal and compound interest.

d. **Bonus: (if applicable)** ☒ **Roll my bonus into my new Time Certificate**

2. **INVESTMENT OWNERSHIP INFORMATION:** Ownership of certificates will be registered exactly as written: (Choose only one.)

☐ **Joint Tenants with rights of survivorship** ☐ **Tenants in Common** ☐ **Individual** ☒ **IRA Account**

_____ Name	_____ Soc. Sec. #	_____ Beneficiary Name
_____ Name	_____ Soc. Sec. #	_____ Beneficiary Name

3. **MAILING ADDRESS:**

_____ Street	_____ Apt #
() _____ Phone	_____ City State Zip

4. **SIGNATURE**

I certify that: (A) I am a resident of the State of Minnesota and have received Capitol's Prospectus and (B) I have reviewed the Prospectus dated March 27, 2020, as amended or supplemented from time to time (the "Prospectus") relating to the Certificates and (C) the number shown on this form is the correct applicable Taxpayer Identification Number/Social Security Number and (D) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

I understand that: (A) Capitol Acceptance Corporation may reject my offer to purchase a Time Certificate in whole or in part, (B) my offer to purchase Time Certificates shall not become effective until accepted by Capitol Acceptance Corporation, (C) Capitol Acceptance Corporation will not accept my offer unless I have either previously received the Prospectus or until 5 business days after the Prospectus has been mailed to me following Capitol Acceptance Corporation's receipt of this Subscription Agreement and (D) prior to acceptance by Capitol Acceptance Corporation I may revoke this offer and receive my investment back, and (E) except upon compliance with certain requirements for certain IRA account purchases the Company is not obligated to repurchase any Certificate prior to its maturity.

I agree that I will not sell or transfer any Certificates. I understand and acknowledge that (A) a legend summarizing these restrictions on resale or transfer will be placed on the Certificates and any substitute Certificates, and the Company will not record any resale or transfer, and (B) the Company is relying on my agreements and acknowledgements in this Agreement in selling Certificates without registration under the Securities Act of 1933, as amended.

If joint tenants or tenants in common, both should sign.

<u>X</u> _____ Signature of owner	_____ Date
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_____ Signature of joint tenant or tenant in common, if any	_____ Date
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The Offer to Sell Time Certificates is Made by Prospectus Only, and only to bona-fide residents of the State of Minnesota.