

**FORM CF-2**

**DISCLOSURE DOCUMENT**

**CFEX SPV-II, LLC**

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(Exact name of Company as set forth in Articles of Incorporation or Charter)

**Date of the Disclosure Document and the most recent amendment: May 2017**

All information must be accurate and complete in all material respects as of the date of this Form CF-2 and of the date of any sale of securities pursuant to this Form CF-2. Note that under Rule 51-3.22(D), this Form CF-2 and any documents incorporated into this Form CF-2 must be amended within five business days of any material change, addition, or update.

**THESE SECURITIES HAVE NOT BEEN REGISTERED WITH, APPROVED BY, OR RECOMMENDED BY ANY FEDERAL OR STATE AGENCY. IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (e) OF SECURITIES AND EXCHANGE COMMISSION RULE 147, 17 CFR 230.147(e), AS PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933," AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.**



**Name:**  
**Address:**  
**City, State, Zip Code:**  
**Telephone Number:**  
**Website:**

### **THE COMPANY**

3. Exact name of issuer: CFEX SPV-II, LLC  
State and date of incorporation or organization: Colorado 10/22/15  
Street address of principal office: 12128 E. Kansas Pl. Aurora, CO. 80012  
Company telephone number: 720-341-8118  
Person(s) to contact with respect to offering: Jeff Coutts  
Telephone number (if different from above):

### **RISK FACTORS**

4. List the factors which the issuer considers to be the most substantial risks to an investor in this offering in view of all facts and circumstances or which otherwise make the offering one of high risk or speculative:

**See Attached Risk Factors Exhibit E**

### **BUSINESS AND PROPERTIES**

5. With respect to the business of the issuer and its properties:
- (A) Describe the general character of the business, including details about what the company does and proposes to do, what products or goods are or will be produced or services that are or will be rendered:

**This is a new company and has never been in business. The company is being formed to purchase a retail/commercial building. The building is in need of a remodel of the exterior, parking and of the upstairs offices. The building is located in the Historical Aurora Cultural Arts District. By remodeling the 2<sup>nd</sup> floor this building is intended to attract local artist as tenants. The ground floor is currently rented to a mattress store. This is a purchase, remodel, lease and hold property.**

- (B) Describe how these products or services are to be produced or rendered and how and when the company intends to carry out its activities:

**This company will lease space to artists or other tenants in the area. It is important to know that the district has potential grant funding available to assist in the rehabilitation of the building if the proposed purpose is to enhance Arts and Culture. This type of funding is exactly what the company intends to seek.**

- (C) Describe the industry in which the company is selling or expects to sell its products or services and, where applicable, any recognized trends within that industry:

**This is a real estate company specifically formed to by this building and manage long term leases.**

- (D) Describe the marketing strategies the company is employing or will employ in penetrating its market or in developing a new market:

**CFEX SPV-II, LLC will contract with many local and national real estate offices/agents with local and national clients looking for office space in the Colorado Springs region. This exposure to the national and local real estate network may include the publication of flyers, ads and other promotional materials as the network deems appropriate to attract businesses to the property in the most efficient manner possible.**

- (E) If the company's business, products, or properties are subject to material regulation (including environmental regulation) by federal, state, or local agencies, indicate the nature and extent of regulation and its effects or potential effects upon the company:

**The company property must comply with all building codes, regulations and approved uses, regulated by the Aurora Building Department.**

- (F) Summarize the most important events in the development of the company during the past five years, or for whatever lesser period the company has been in existence. Discuss any pending major transactions, such as anticipated mergers, acquisitions, spin-offs or recapitalizations:

**Pending transition to acquire the property.**

- (G) If the company was not profitable during the last fiscal year, list below in chronological order the events in management's opinion which must or should occur or the milestones which the company must or should reach in order for the company to become profitable, and indicate the expected manner of occurrence or the expected method by which the company will achieve the milestones:

**First, to purchase the property.  
Second, to lease the property.**

- (H) State the probable consequences to the company of delays in achieving each of the events or milestones within the above time schedule, and particularly the effect of any delays upon the company's cash flow and ability to satisfy its operating obligations in view of the company's then anticipated level of operating costs:

**The most important factor is getting fully funded for this project. The property already has a ground floor tenants. Leases are annual however the tenants have been leasing this property long term. More than 5 years. The tenants cover all operating costs plus a 5% cap rate. The second most important factor is remodeling the second floor. Once remodeled and rented the property is expected to have near 8% cap rate.**

- (I) Describe generally the principal assets or properties (such as real estate, plant and equipment, patents, etc.) that the company owns, indicating also what properties it leases and a summary of the terms under those leases, including the amount of payments, expiration dates, and the terms of any renewal options. Indicate what assets or properties the company intends to acquire in the immediate future, the cost of such acquisitions, and the sources of financing it expects to use in obtaining these properties, whether by purchase, lease or otherwise:

**The company is new and has no property or leases or plant or equipment. The purpose of the company is to purchase the property at 1457 Florence in Aurora, Colorado as a redevelopment project. The plan is to lease the property for a long term hold strategy. The purchase price of the property is \$595,000.00. Improvements are estimated at \$25,000.00, Legal/Accounting use fees etc. and filing fees are estimated to be \$25,000.00, there is also a contingency of \$25,000.00. The total Redevelopment of this property is expected to be \$670,000.00**

### USE OF PROCEEDS

6. The table below sets forth the uses of the proceeds and the percentages of the funds raised in this offering:

Note: This table should discuss the use of proceeds covering a period of at least six and up to 12 months of operations.

|                                      | IF MINIMUM AMOUNT SOLD |    | IF MAXIMUM AMOUNT SOLD |      |
|--------------------------------------|------------------------|----|------------------------|------|
|                                      | \$                     | %  |                        |      |
| Total Proceeds                       | N/A                    | 0% | \$670,000.00           | 100% |
| Less: Offering Expenses (See Item 5) | N/A                    | 0% | 0                      | 0%   |
| Commissions and Finders Fees         | N/A                    | 0% | 0                      | 0%   |
| Legal & Accounting                   | N/A                    | 0% | \$25,000.00            | 3.7% |
| Copying & Advertising                | N/A                    | 0% | N/A                    | 0%   |
| Other (Specify)                      | N/A                    | 0% | N/A                    | 0%   |

|                            |  |      |              |       |
|----------------------------|--|------|--------------|-------|
| Total Expenses             |  |      | \$25,000.00  | 96.3% |
|                            |  |      |              |       |
| Net Proceeds from Offering |  |      | \$645,000.00 | 96.7% |
| Uses of Net Proceeds       |  |      |              |       |
| Building Purchase          |  |      | \$595,000.00 | 92%   |
| Improvements               |  |      | \$25,000.00  | 4%    |
| Contingency                |  |      | \$25,000.00  | 4%    |
|                            |  |      |              |       |
|                            |  |      |              |       |
|                            |  |      |              |       |
| Total Use of Net Proceeds  |  | 100% | \$645,000.00 | 100%  |

7. (A) If material amounts of funds from sources other than this offering are to be used in conjunction with the proceeds from this offerings, state the amounts and sources of such other funds, and whether funds are firm or contingent:

**None**

If contingent, explain:

**None**

- (B) If any material part of the proceeds is to be used to repay existing indebtedness, describe the terms of such indebtedness, including interest rates and whether the creditor is an officer, director, employee, or principal stockholder of the issuer or their associate. If the indebtedness to be discharged was incurred within the current or previous fiscal year, describe the use of the proceeds of such indebtedness:

**None**

- (C) If any material amount of the proceeds is to be used to acquire assets, other than in the ordinary course of business, briefly describe and state to the cost of the assets and other material terms of the acquisitions. If the assets are to be acquired from officers, directors, employees or principal stockholders of the company or their associates, give the names of the persons from whom the assets are to be acquired and set forth the cost to the company, the method followed in determining the cost, and any profit to such persons:

**\$595,000.00 will be used to purchase the building located 1457 Florence in Aurora Colorado. The building is not owned by any officer of the company, however the building is being brokered by the company CEO. The buildings sales price has been determined by fair market value and a Realtors market valuation, using comparable data from the surrounding area, the realtor is the CEO of the company. See Exhibit L a & b APOD for detailed market comparable information.**

- (D) If any amount of the proceeds is to be used to reimburse any officer, director, employee or stockholder for services already rendered, assets previously transferred, or monies loaned or advanced, or otherwise explain:

**None**

8. Indicate whether the company is having or anticipates having within the next 12 months any cash flow or liquidity (i.e., the ability to satisfy its payment obligations as they become due) problems and whether or not it is in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the company to make payments. Indicate if a significant amount of the company's trade payables have not been paid within the stated trade term. State whether the company is subject to any unsatisfied judgments, liens, or settlement obligations and the amounts thereof. Indicate the company's plans to resolve any such problems:

**No, the property being purchased is providing positive cash flow.**

9. Indicate whether management, based on its reasonable assumptions, believes that the proceeds from this offering will satisfy the company's cash requirements for the next 12 months, and whether it will be necessary to raise additional funds. State the source of additional funds, if known:

**Management believes the proceeds will satisfy cash flow needs**

10. The securities being offered hereby are:  
 Common Stock  
 Preferred Stock  
 LLC Membership or Partnership Interests  
 Promissory Notes  
 Units of two or more types of securities, composed of:  
 Other. Describe:
11. If the securities are equity securities, the securities have:  
**YES( ) NO( X )** Voting rights  
**YES( ) NO( X )** Special voting rights, including protective provisions  
**YES( ) NO( X )** Preemptive rights (i.e., the right to participate in future financings)  
**YES( ) NO( X )** Preference as to dividends or interest  
**YES( ) NO( X )** Anti-dilution rights  
**YES( ) NO( X )** Redemption rights (i.e., the right to require the company to repurchase the securities)  
**YES( ) NO( X )** Preference upon liquidation or sale of the company  
**YES( ) NO( X )** Other special rights or preferences. Specify and explain:

12. Are the securities convertible into another type or class of security? **YES( ) NO( X )**  
If so, state the terms of such conversion:
13. If securities are notes or other types of debt securities: **N/A**
- (A) What is the interest rate? \_\_\_%  
If interest rate is variable or multiple rates, describe:
- (B) What is the maturity date? \_\_\_/\_\_\_/\_\_\_\_\_  
If serial maturity dates, describe:
- (C) Is the company required to set aside funds on a scheduled basis to ensure sufficient fund availability at maturity? **YES( ) NO( )**  
Describe:
- (D) Is there an agreement which contains covenants and creates obligations for the benefit of the investors? **YES( ) NO( )**
- (E) Is there an intercreditor agreement? **YES( ) NO( )**  
If so, will an agent be appointed to serve as the agent of the investors? **YES( ) NO( )**  
Name, address, and telephone number of administrative agent:
- (F) Are the securities prepayable at the option of the company? **YES( ) NO( )**  
Describe, including prepayment premium, if any:
- (G) Are the securities collateralized by real or personal property? **YES( ) NO( )**  
Describe:
- (H) If these securities are subordinated in right of payment of interest or principal or lien position, explain the terms of such subordination:



How much current outstanding indebtedness of the company is senior to the securities in right of payment of interest or principal? \$  
How much indebtedness shares in right of payment on an equivalent (pari passu) basis? \$  
How much indebtedness is or will be junior (subordinate) to the securities? \$  
Is there a limitation on the amount of indebtedness the company may incur after the offering?

14. If securities are preferred stock: **N/A**  
Will there be dividends payable on the preferred stock? **YES( ) NO( )**  
Will the dividends continue to accrue if they are not paid? **YES( ) NO( )**  
Will accrued and unpaid dividends be added to the liquidation preference (if any) of the preferred stock? **YES( ) NO( )**
15. If securities are capital stock of any type, indicate restrictions on dividends under loan or other financing arrangements or otherwise: **NONE**

NOTE: Attach to this Disclosure Document copies or a summary of the charter, bylaw, or contractual provision or document that gives rise to the rights of holders of preferred stock, notes, or other securities being offered.

### **PLAN OF DISTRIBUTION**

16. Describe any material relationships between any broker-dealer, sales representative, on-line intermediary, selling agents or finder identified in response to question 2 (above) and the company or its management: **N/A**

**The online intermediary is entering into a listing addendum with management, Jeff Coutts capacity as a real estate broker. See Exhibit M for further information.**

17. (A) Name, address and telephone number of financial institution where funds will be deposited into an escrow account:

**Name: Centennial Consulting Group, LLC**  
**Address: 2619 Canton Court, Suite A**  
**City, State, Zip Code: Fort Collins, CO 80525**  
**Attention: Tisha L. Higgins**  
**Phone: (970) 484-0101, Ext. 3**  
**Facsimile No. (970) 300-1042**

- (B) Date on which funds will be returned if minimum proceeds are not raised: **08/30/17.**

**MANAGEMENT OF THE COMPANY**

18. Chief Executive Officer:

**Name: Jeff Coutts**

**Title: CEO**

**Age: 58**

**Office Street Address: 1440 Iola St. Unit B**

**City, State, Zip Code: Aurora, CO. 80010**

**Telephone Number: 720-341-8118**

**Name of employers, titles and dates of positions held during the past five years with an indication of job responsibilities:**

Cornerstone Realty Colorado Managing Broker, 2/14 - Present Commercial Leasing, Sales and Purchasing of Value Add Real Estate.

Nextage Realty, Senior Commercial Broker, 1/12 – 2/14 Commercial Leasing, Sales and Purchasing.

Education (degrees, schools, and dates):

B.S., College of Business, External Regents, University of New York, Albany 1980-1985

**Director of the company?<sup>1</sup> YES( X ) NO( )**

19. Chief Operating Officer:

**Name:**

**Title:**

**Age:**

**Office Street Address:**

**City, State, Zip Code:**

**Telephone Number:**

**Name of employers, titles and dates of positions held during the past five years with an indication of job responsibilities:**

**Education (degrees, schools, and dates):**

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<sup>1</sup> In this question and the following questions, the term “director” would include persons filling a role for an issuer that is not a corporation similar to that of a director. For example, this would include a manager of a limited liability company or a general partner of a partnership.

**Director of the company? YES( ) NO( )**

20. Chief Financial Officer:

**Name:**

**Title:**

**Age:**

**Office Street Address:**

**City, State, Zip Code:**

**Telephone Number:**

**Name of employers, titles and dates of positions held during the past five years with an indication of job responsibilities:**

**Education (degrees, schools, and dates):**

**Director of the company? YES( ) NO( )**

21. Other Key Personnel:

**Name:**

**Title:**

**Age:**

**Office Street Address:**

**City, State, Zip Code:**

**Telephone Number:**

**Name of employers, titles and dates of positions held during the past five years with an indication of job responsibilities:**

**Education (degrees, schools, and dates):**

**Director of the company? YES( ) NO( )**

**Name:**

**Title:**

**Age:**

**Office Street Address:**

**City, State, Zip Code:**

**Telephone Number:**

**Name of employers, titles and dates of positions held during the past five years with an indication of job responsibilities:**

**Education (degrees, schools, and dates):**

**Director of the company? YES( ) NO( )**

22. Number of directors: **One**  
If directors are not elected annually, or are elected under a voting agreement or other arrangement explain: **N/A**

**(Type response here)**

23. (A) Information concerning outside or other directors and other persons holding a role in the issuer similar to that of a director of a corporation (such as, for example, a manager of a limited liability company or a general partner of a partnership) (i.e., those not described above): **N/A**

**Name:**

**Title:**

**Age:**

**Office Street Address:**

**City, State, Zip Code:**

**Telephone Number:**

**Name of employers, titles and dates of positions held during the past five years with an indication of job responsibilities:**

**Education (degrees, schools, and dates):**

**Name:**

**Title:**

**Age:**

**Office Street Address:**

**City, State, Zip Code:**

**Telephone Number:**

**Name of employers, titles and dates of positions held during the past five years with an indication of job responsibilities:**

**Education (degrees, schools, and dates):**

- (B) If the company has never conducted operations or is otherwise in the development stage, indicate whether any of the officers or directors (or persons holding roles similar to that of a director) have ever managed any other company in the start-up or development stage and describe the circumstances, including relevant dates:

**Jeff Coutts has worked in management in both start up and established organizations. Jeff joined Cornerstone Realty Colorado as a Real Estate Broker on 11/2015 and is now the Managing Broker. His duties include the following: Support the commercial leasing program, sales and purchases for the Cornerstone Realty Colorado office.**

- (C) If any of the company's key personnel are not employees but are consultants or other independent contractors, state the details of their engagement by the company:

**None**

- (D) If the company has key man life insurance policies on any of its officers, directors, or key personnel, explain, including the names of the persons insured, the amount of insurance, whether the insurance proceeds are payable to the company and whether there are arrangements that require the proceeds to be used to redeem securities or pay benefits to the estate of the insured person or to a surviving spouse: N/A

**N/A**

24. If a petition under the Bankruptcy Act or any state insolvency law was filed by or against the company or its officers, directors or other key personnel, or a receiver, if fiscal agent or similar officer was appointed by a court for the business or property of any such persons, or any partnership in which any of such persons was general partner at or within the past five years, or any corporation or business association of which any such person was an executive officer, at or within the past five years, set forth below the name of such persons, and the nature and date of such actions:

**N/A**

### **LITIGATION**

25. Describe any past, pending or threatened litigation or administrative action which has had or may have a material effect upon the company's business, financial condition, or operations, including any litigation or action involving the company's officers, directors or other key personnel. State the names of the principal parties, the nature and current status of the matters, and amounts involved. Give an evaluation by management or counsel, to the extent feasible, of the merits of the proceedings of litigation and the potential impact on the company's business, financial condition, or operations:

None

### **MISCELLANEOUS FACTORS**

26. Describe any other material factors, either adverse or favorable, that will or could affect the company or its business (for example, discuss any defaults under major contracts, entry into the market of a large competitor, potential loss of key supplier, any immediate cash flow needs, etc.) or which are necessary to make any other information in this disclosure document not misleading or incomplete:

**The health of the general US economy and particularly the Colorado economy**

### **FINANCIAL STATEMENTS**

27. Attach, if available, the issuer's most recent balance sheet, profit and loss statement, and cash flow statement. Note, if the issuer is raising more than \$1 million in any twelve month period, the above-referenced financial statements must comply with section 11-51-308.5(3)(a)(II) and Rule 51-3.22(C). None, The company has no assets and has never done business before.

### **ESCROW AGREEMENT**

28. Attach a copy of the escrow agreement that controls the terms of the escrow account established pursuant to section 11-51-308.5(3)(a)(IV)(D) and Rule 51-3.24(F).

**See Exhibit M Escrow Agreement for further details**

### **INVESTOR ACKNOWLEDGEMENT**

**I UNDERSTAND AND ACKNOWLEDGE THAT I AM INVESTING IN A HIGH-RISK, SPECULATIVE BUSINESS VENTURE. I MAY LOSE ALL OF MY INVESTMENT, OR UNDER SOME CIRCUMSTANCES MORE THAN MY INVESTMENT, AND I CAN AFFORD THIS LOSS. THIS OFFERING HAS NOT BEEN REVIEWED OR APPROVED BY ANY STATE OR FEDERAL SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY AUTHORITY AND NO SUCH PERSON OR AUTHORITY HAS CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF ANY DISCLOSURE MADE TO ME RELATING OT THIS OFFERING. THE SECURITIES I AM ACQUIRING IN THIS OFFERING CANNOT BE READILY SOLD, ARE ILLIQUID, THERE IS NO READY MARKET FOR THE SALE OF SUCH SECURITIES, IT MAY BE DIFFICULT OR IMPOSSIBLE FOR ME TO SELL OR OTHERWISE DISPOSE OF THIS INVESTMENT, AND, ACCORDINGLY, I MAY BE REQUIRED TO HOLD THIS INVESTMENT INDEFINITELY. I MAY BE SUBJECT TO TAX ON MY SHARE OF THE TAXABLE INCOME AND LOSSES OF THE COMPANY, WHERE OR NOT I HAVE SOLD OR OTHERWISE DISPOSED OF MY INVESTMENT OR RECEIVED ANY DIVIDENDS OR OTHER DISTRIBUTIONS FROM THE COMPANY.**

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**Investor – Print Name:**  
**Investor – Address:**  
**Investor – Telephone:**  
**Investor – Email:**  
**Investor – Other Contact Information:**

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**Signature**

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**LIST OF EXHIBITS**

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|   |           |
|---|-----------|
| Business Plan .....                           | Exhibit A |
| Articles of Organization.....                 | Exhibit B |
| Operating Agreement.....                      | Exhibit C |
| EIN Certificate .....                         | Exhibit O |
| Asset Management Agreement.....               | Exhibit D |
| Risk Factors .....                            | Exhibit E |
| Summary of Terms .....                        | Exhibit F |
| Subscription Agreement.....                   | Exhibit G |
| Current Comparable Market Analysis .....      | Exhibit H |
| Future Comparable Market Analysis .....       | Exhibit L |
| Active Leases .....                           | Exhibit I |
| Tax Statement .....                           | Exhibit J |
| County Information.....                       | Exhibit K |
| Purchase Contract.....                        | Exhibit N |
| Bret Lamperes Summary of Qualifications ..... | Exhibit P |
| Form CF-1.....                                | Exhibit Q |
| Form U-2.....                                 | Exhibit R |
| Escrow Agreement.....                         | Exhibit S |
| Notice of Failure of Escrow Closing .....     | Exhibit T |