

PALADIN REALTY INCOME PROPERTIES, INC.
SUPPLEMENT NO. 6 DATED APRIL 28, 2011
TO THE PROSPECTUS DATED APRIL 29, 2010

This document supplements, and should be read in conjunction with, our prospectus dated April 29, 2010. This Supplement No. 6 supersedes and replaces Supplement No. 1, dated April 29, 2010, Supplement No. 2, dated May 24, 2010, Supplement No. 3, dated August 20, 2010, Supplement No. 4 dated November 19, 2010 and Supplement No. 5 dated March 7, 2011. The purpose of this Supplement No. 6 is to disclose:

- the status of our public offerings;
- a description of our current portfolio;
- selected financial data;
- information regarding our distributions;
- our performance — funds from operations;
- our property performance — net operating income;
- information regarding share redemptions;
- updates to risk factors;
- updates to the composition of our board of directors and the corporate governance committee;
- an update regarding our interest in 801 Fiber Optic Drive;
- our investment in Stone Ridge Apartments;
- fees and reimbursements paid to our advisor and its affiliates;
- updated “Prior Performance Summary” disclosure in the prospectus;
- updated prior performance tables;
- termination of the automatic investment plan;
- an amended subscription agreement;
- an update to the “Experts” section of the prospectus; and
- information regarding documents incorporated by reference into this prospectus supplement.

Status of Our Public Offerings

We commenced our follow-on offering of \$850,000,000 in shares of common stock on July 28, 2008. Of these shares, we are offering \$750,000,000 in our primary offering and \$100,000,000 pursuant to our distribution reinvestment plan. Concurrently with the commencement of our follow-on offering, we terminated our initial public offering. As of April 15, 2011 we had received and accepted subscriptions in our offerings for an aggregate of 5,965,937 shares of our common stock, or \$59,113,881 including shares issued under our distribution reinvestment plan. As of April 15, 2011 82,959,059 shares remained available for sale to the public under our follow-on offering, including shares available under our distribution reinvestment plan. Our follow-on offering is expected to terminate on or before July 28, 2011.

Our Current Portfolio

We were formed to invest in a diverse portfolio of high quality investments, focusing primarily on investments that produce current income including apartments, office buildings, industrial buildings, shopping centers and hotels. As of December 31, 2010, our property investments consisted of nine multi-family apartment communities with a total of 2,162 apartment units, one industrial distribution facility and two office buildings. The following table provides general information regarding these properties as of December 31, 2010:

	Property Type	Market	Total Investment ⁽¹⁾	Net Rentable Area (sq ft)/ Units	Occupancy ⁽²⁾	Percentage Equity Ownership ⁽³⁾
Multi-family Communities						
Champion Farms Apartments	Resident Apartments	Louisville, KY	\$4,790,264	264 units	92.4%	70.0%
Fieldstone Apartments	Resident Apartments	Woodlawn, OH	\$5,143,946	266 units	94.4%	83.0%
Pheasant Run Apartments	Resident Apartments	Lee's Summit, MO	\$2,642,146	160 units	96.3%	97.5%
Pinehurst Apartment Homes	Resident Apartments	Kansas City, MO	\$2,411,232	146 units	91.8%	97.5%
The Retreat Apartments	Resident Apartments	Shawnee, KS	\$2,850,000	342 units	92.7%	97.5%
Hilltop Apartments	Resident Apartments	Kansas City, MO	\$1,050,000	124 units	85.5%	49.0%
Conifer Crossing	Resident Apartments	Norcross, GA	\$4,755,191	420 units	95%	42.5%
Lofton Place Apartments	Resident Apartments	Tampa Bay, FL	\$3,000,000	280 units	95.7%	60.0%
Beechwood Gardens Apartments	Resident Apartments	Philadelphia, PA	\$2,550,000	160 units	96.3%	82.3%
Industrial						
801 Fiber Optic Drive	Industrial Distribution Facility	North Little Rock, AR	\$1,708,939	56,336 sq. ft.	100%	79.0%
Office						
Two and Five Governor Park ⁽⁴⁾	Office Buildings	San Diego, CA	\$2,500,000	75,518 sq. ft.	100%	47.7%

(1) Total investment includes our share of the purchase price for the property plus due diligence costs and closing costs paid by the joint venture, not including our share of the debt on the property.

(2) Occupancy as of December 31, 2010. Includes all leased space including space subject to master leases.

(3) Ownership interest in joint venture as of December 31, 2010.

(4) This investment consists of two office buildings.

The table below provides summary information regarding our 12 income-producing properties by location as of December 31, 2010:

State	Property Investments	
	Number	As a Percentage of Aggregate Investment
Arkansas	1	5%
California	2	8%
Florida	1	9%
Georgia	1	14%
Kansas	1	9%
Kentucky	1	14%
Missouri	3	18%
Ohio	1	15%
Pennsylvania	1	8%
Total	12	100%

For each of our nine multi-family investments, the table below provides the occupancy rate and the average effective monthly rent per unit for the years ended December 31, 2006, 2007, 2008, 2009 and 2010 for the periods during which we owned such properties:

Property	Year Ended December 31, 2006	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010
Champion Farms Apartments					
Occupancy	95.5%	93.6%	87.1%	92.8%	92.4%
Average Effective Monthly Rent per Unit	\$ 702	\$ 713	\$ 746	\$ 743	\$ 746
Fieldstone Apartments					
Occupancy	91.7%	97.4%	94.4%	92.9%	94.4%
Average Effective Monthly Rent Per Unit	\$ 799	\$ 791	\$ 807	\$ 797	\$ 783
Pheasant Run Apartments					
Occupancy	—	88.8%	93.1%	95.6%	96.3%
Average Effective Monthly Rent per Unit	—	\$ 617	\$ 665	\$ 605	\$ 638
Pinehurst Apartment Homes					
Occupancy	—	96.6%	88.4%	91.8%	91.8%
Average Effective Monthly Rent per Unit	—	\$ 622	\$ 646	\$ 620	\$ 636
Retreat Apartments					
Occupancy	—	—	87.1%	91.5%	92.7%
Average Effective Monthly Rent per Unit	—	—	\$ 583	\$ 539	\$ 541
Hilltop Apartments					
Occupancy	—	—	91.9%	91.1%	85.5%
Average Effective Monthly Rent per Unit	—	—	\$ 512	\$ 509	\$ 536
Conifer Crossing					
Occupancy	—	—	82.4%	92.1%	95.0%
Average Effective Monthly Rent per Unit	—	—	\$ 780	\$ 704	\$ 745
Lofton Place Apartments					
Occupancy	—	—	—	91.8%	95.7%
Average Effective Monthly Rent per Unit	—	—	—	\$ 782	\$ 791
Beechwood Gardens Apartments					
Occupancy	—	—	—	95.0%	96.3%
Average Effective Monthly Rent per Unit	—	—	—	\$ 830 ⁽¹⁾	\$ 827

(1) We acquired our interest in Beechwood Gardens Apartments on December 16, 2009.

The leases for our multi-family investments generally have terms of six, nine or twelve months. There are no leases with terms expiring after 2011.

For our commercial properties, the table below provides the occupancy rate and the average effective annual rent per square foot for each of the years ended December 31, 2006, 2007, 2008, 2009 and 2010 for the periods during which we owned such properties:

Property	Year Ended December 31, 2006	Year Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010
801 Fiber Optic Drive					
Occupancy	100.0%	100.0%	100.0%	100.0%	100%
Average Effective Annual Rent per Square Foot	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
Two and Five Governor Park					
Occupancy	—	—	100.0% ⁽¹⁾	100.0% ⁽¹⁾	100% ⁽¹⁾
Average Effective Annual Rent per Square Foot	—	—	\$ 26.52 ⁽²⁾	\$ 23.88 ⁽²⁾	\$ 24.64 ⁽²⁾

(1) These buildings are 100.0% leased including the master lease. The buildings are 83.0 % leased to third party tenants.

(2) The average effective monthly rent per square foot only reflects leases to third parties and does not include the master lease.

The following is a schedule of third party lease expirations and related information for each of the seven years ending 2017 for our industrial distribution facility and two office buildings as of December 31, 2010. For these three investments, there are no leases expiring after 2017.

Year	Number of Tenants Whose Leases Are Expiring	Total Square Feet Covered by Such Leases	Annual Rent Represented By Such Leases	Percentage of Gross Annual Rent Represented by Such Leases
2010	—	—	—	—
2011	2	1,937	\$ 51,058	3%
2012	4	13,688	\$ 362,110	18%
2013	4	8,265	\$ 204,188	10%
2014	7	36,859	\$ 937,065	45%
2015	2	5,503	\$ 127,979	6%
2016	1	56,336	\$ 338,160	16%
2017	1	3,956	\$ 47,472	2%
Total	21	126,544	\$ 2,068,032	100%

Selected Financial Data

The following selected financial data should be read with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the notes thereto incorporated by reference into the prospectus. Our historical results are not necessarily indicative of results for any future period.

The following tables present summarized consolidated financial information, including statement of operations data and balance sheet data in a format consistent with our consolidated financial statements.

	For the Year Ended December 31,				
	2010	2009	2008	2007	2006
Operating Data:					
Revenues	\$20,048,939	\$15,344,761	\$11,589,811	\$ 5,595,622	\$1,530,502
Loss before equity in earnings and noncontrolling interests	(4,087,665)	(6,337,842)	(2,689,447)	(1,627,801)	(855,811)
Equity in earnings from real estate joint venture	83,519	81,153	88,224	83,896	75,226
Noncontrolling interests	1,178,012	1,784,767	242,673	219,437	(127,817)
Net loss attributable to Company	(2,826,134)	(4,471,922)	(2,358,550)	(1,324,468)	(652,768)
Net loss per common share (basic and diluted)	(0.59)	(1.09)	(0.73)	(0.75)	(1.42)
Distributions declared per common share	0.60	0.60	0.60	0.60	0.60
Weighted average number of common shares outstanding (basic and diluted)	4,787,071	4,086,673	3,219,095	1,758,564	458,658

	As of December 31,				
	2010	2009	2008	2007	2006
Balance Sheet Data:					
Total real estate, net	\$149,009,964	\$152,628,325	\$125,746,514	\$55,763,626	\$41,066,742
Total assets	157,717,875	160,931,602	136,066,319	64,863,407	44,744,940
Mortgages payable	121,134,455	121,365,972	98,729,308	43,879,125	32,850,000

Information Regarding our Distributions

We pay distributions on a monthly basis. Since January 2006, for the month ended December 31, 2005, we have paid a 6.0% per annum distribution. We paid \$2,843,351 in distributions for year ended December, 2010, of which \$1,396,641 was paid in cash and \$1,446,710 was paid through the distribution reinvestment plan in the form of additional shares issued.

The following chart compares cash distributions received from each of our investments during the year ended December 31, 2009, the year ended December 31, 2010 and from inception to December 31, 2010 with distributions paid during the same periods.

	Summary of Cash Distributions from Investments			Summary of Distributions Paid to Stockholders		
	Year ended December 31, 2009	Year ended December 31, 2010	Inception to date as of December 31, 2010	Year ended December 31, 2009	Year ended December 31, 2010	Inception to date as of December 31, 2010
801 Fiber Optic	\$ 148,000	\$ 129,500	\$ 761,317			
Champion Farms Apartments	395,196	395,204	1,778,392			
Fieldstone Apartments	424,380	424,382	1,550,562			
Pinehurst Apartment Homes	217,020	217,020	714,828			
Pheasant Run Apartments	237,792	237,792	775,430			
Retreat Apartments	256,500	256,500	814,866			
Hilltop Apartments	120,750	94,500	307,300			
Conifer Crossing	244,375	—	382,500			
Two and Five Governor Park	224,375	225,000	449,375			
Lofton Place Apartments ⁽¹⁾	90,000	285,000	375,000			
Beechwood Gardens Apartments ⁽²⁾	—	288,520	288,520			
Total	<u>\$2,358,388</u>	<u>\$2,553,418</u>	<u>\$8,198,090</u>	<u>\$2,410,031</u>	<u>\$2,843,351</u>	<u>\$8,349,236</u>

(1) We acquired our interest in Lofton Place Apartments on October 1, 2009.

(2) We acquired our interest in Beechwood Gardens Apartments on December 16, 2009.

The following table presents the amount of distributions paid for each of the four quarters ended December 31, 2010.

	For the Three Months Ended			
	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Distributions paid in cash:	\$ 376,162	364,267	342,637	\$313,575
Distributions reinvested:	361,409	364,411	365,272	355,618
Total distributions:	737,571	728,678	707,909	669,193
Source of distributions				
Cash flow from operations	(319,503)	366,845	(583,055)	313,575
Excess cash flow from operations from prior periods	695,665	—	925,692	—
Proceeds from the issuance of common stock	361,409	361,833	365,272	355,618
Total sources	\$ 737,571	\$ 728,678	\$ 707,909	\$669,193

As shown in the previous table, from inception through December 31, 2010, the cumulative distributions paid to stockholders of \$8,349,236 exceeded distribution from our investments of \$8,198,090 as well as net cash provided by operating activities of \$2,145,034 and cumulative funds from operations, or FFO (as further defined and discussed below in “Our Performance—Funds from Operations”), of \$(1,478,893). In addition, for the year ended December 31, 2010, distributions paid to stockholders of \$2,843,351 exceeded cash distributions from our investments of \$2,553,418 as well as net cash provided by operating activities of \$296,878 and FFO of \$755,538. For the year ended December 31, 2009, distributions paid to stockholders of \$2,410,031 exceeded cash distributions from our investments of \$2,358,384 as well as net cash provided by operating activities of \$84,387 and FFO of \$(1,794,241). As a result, portions of the cumulative distributions paid as of December 31, 2010 have been paid with offering proceeds.

Paladin Advisors has paid expenses on our behalf, and Paladin Advisors has deferred the reimbursement of a portion of these expense payments and from time to time has deferred certain other fees owed to it. The repayment of these deferred expenses has impacted, and may continue to impact our ability to pay distributions from cash flow from operations or at all. During 2010, in accordance with the Advisory Agreement, we reimbursed Paladin Advisors \$1,747,054 of previously accrued general and administrative expenses, and in the first quarter of 2011, we have reimbursed Paladin Advisor an additional \$590,115 of previously accrued general and administrative expenses. These reimbursements have reduced our cash flow provided by operating activities and therefore our ability to fund distributions therefrom.

If Paladin Advisors were to pay additional expense on our behalf in the future and/or defer reimbursement of expense payments or fees, the ultimate repayment of these obligations could adversely impact our ability to pay distributions in future periods as well as potentially adversely impact the value of an investment in the Company.

We are reliant on Paladin Advisors to support our financial position currently because of our small size. As we continue to grow by selling shares in our Follow-On Offering and by making additional investments, we expect to be able to finance our operations without advances from and deferrals of fees otherwise payable to Paladin Advisors; however, as described above, we may not be able to continue to pay distributions at the rate we currently pay or at all.

The amount of distributions to be distributed to our stockholders in the future will be determined by our board of directors and are dependent on a number of factors, including funds available for payment of distributions (including whether Paladin Advisors continues to pay expenses and/or defer reimbursement of expense payments or fees), our financial condition, capital expenditure requirements, annual distribution requirements needed to maintain our status as a REIT under the Internal Revenue Code, any limitations imposed by the terms of indebtedness we may incur and other factors.

Our Performance — Funds from Operations

One of our objectives is to provide cash distributions to our stockholders from cash generated by our operations. Due to certain unique operating characteristics of real estate companies, the National Association of Real Estate Investment Trusts, or NAREIT, an industry trade group, has promulgated a measure known as Funds from Operations, or FFO, which it believes more accurately reflects the operating performance of a REIT such as us. FFO is not equivalent to our net income or loss as defined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004. The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding gains or losses from sales of property but including asset impairment writedowns, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO.

The historical accounting convention used for real estate requires a straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative.

Presentation of this information is intended to assist the reader in comparing the operating performance of different REITs, although it should be noted that not all REITs calculate FFO the same way, so comparisons with other REITs may not be meaningful. Factors that impact FFO include non cash GAAP income and expenses, one-time non recurring costs, timing of acquisitions, yields on cash held in accounts, income from portfolio properties and other portfolio assets, interest rates on acquisition financing and operating expenses. Furthermore, FFO is not necessarily indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income, as an indication of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions and should be reviewed in connection with other measurements as an indication of our performance. Our FFO reporting complies with NAREIT's policy described above.

The following is the calculation of FFO for each of last four quarters ended December 31, 2010.

	Three Months Ended			
	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Net loss attributable to Company	\$ (604,610)	\$ (869,498)	\$ (804,842)	\$ (547,184)
Add:				
Depreciation and amortization — consolidated entities	1,250,325	1,359,177	1,340,337	1,308,294
Depreciation and amortization — unconsolidated entities	15,703	17,165	17,165	17,165
Less:				
Depreciation and amortization of noncontrolling interests	(416,268)	(453,663)	(435,801)	(437,927)
FFO	245,150	53,181	116,859	340,348
Other Adjustments				
Acquisition costs	—	—	—	—
FFO per share-basic	0.05	0.01	0.02	0.07
FFO per share-diluted	0.05	0.01	0.02	0.07
Weighted average number of shares outstanding — basic	4,979,981	4,851,404	4,731,856	4,579,941
Weighted average number of shares outstanding — diluted	4,987,981	4,859,404	4,732,999	4,579,941

Our Property Performance — Net Operating Income

Our net operating income for the year ended December 31, 2010 was \$10,372,113 compared to \$7,404,408 for the year ended December 31, 2009 and \$6,274,688 for the year ended December 31, 2008.

We consider net operating income to be an appropriate supplemental performance measure because net operating income reflects the operating performance of our properties and excludes certain items that are not considered to be controllable in connection with the management of the property, such as depreciation, interest expense, interest income and general and administrative expenses. Additionally, we believe that net operating income is a widely accepted measure of comparative operating performance in the real estate investment community. However, our use of the term net operating income may not be comparable to that of other real estate companies as they may have different methodologies for computing this amount. We believe that the line on our consolidated statement of operations entitled “Net Loss Attributable to Company” is the most directly comparable GAAP measure to net operating income. The following table is a reconciliation of net operating income to our reported net loss attributable to the Company for the years ended December 31, 2010, 2009 and 2008:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Operating Income	\$10,372,113	\$ 7,404,408	\$ 6,274,688
Equity in earnings of real estate joint venture	83,519	81,153	88,224
Interest Income	9,695	25,550	103,788
Depreciation and amortization expenses	(5,258,133)	(3,812,064)	(2,764,030)
Interest expense	(7,624,089)	(6,554,831)	(4,430,622)
General and administrative expenses	(1,587,251)	(2,427,858)	(1,873,251)
Noncontrolling interests	1,178,012	1,784,767	242,673
Acquisition costs	<u>-0-</u>	<u>(973,047)</u>	<u>-0-</u>
Net Loss Attributable to Company	<u>\$ (2,826,134)</u>	<u>\$ (4,471,922)</u>	<u>\$ (2,358,550)</u>

Information Regarding Share Redemptions

During the year ended December 31, 2009, we received requests to redeem 245,343 shares of common stock, of which we redeemed 143,240 shares of common stock for approximately \$1,330,188, or \$9.30 per share, the redemption price set forth in our

share redemption plan. We funded these redemptions exclusively from proceeds we received in our distribution reinvestment plan. For the same period, due to the limitations of our program, we were not able to redeem 102,103 shares of common stock. During the year ended December 31, 2010, we received additional requests to redeem 139,511 shares of common stock net of withdrawals of redemption requests. During the year ended December 31, 2010, we redeemed 155,469 shares of common stock for approximately \$1,444,257, or \$9.30 per share. We funded these redemptions exclusively from proceeds we received in our distribution reinvestment plan. As of January 1, 2011, there were 86,145 shares which had previously been submitted for redemption but had not yet been redeemed. Pursuant to the terms of our share redemption program and subject to available funding from proceeds received in our distribution reinvestment plan, we will redeem the remaining shares requested with funds received from our distribution reinvestment plan in subsequent months.

Updates to Risk Factors

The “Risk Factors” section of the prospectus has been updated as follows:

We have experienced annual net losses which could adversely impact our ability to conduct operations, make investments and pay distributions.

We had a net loss of \$2,826,134, \$4,471,922 and \$2,358,550, respectively, for the years ended December 31, 2010, December 31, 2009 and December 31, 2008. As a result, Paladin Advisors has paid expenses on our behalf and has deferred the reimbursement of a portion of these expense payments. In the event that our annual net losses continue and if Paladin Advisors ceases paying expenses on our behalf or deferring reimbursement of expenses, we will have less money available to make investments and pay distributions, and our ability to conduct our operations may be adversely impacted.

To date cash flows from operations were insufficient to pay both our operating expenses and to cover the distributions we have paid and/or declared. In order to permit us to pay distributions, we have used cash distributions from our investments and offering proceeds. Paladin Advisors has paid expenses on our behalf and deferred the reimbursement of such expense payments and its receipt of fees we owe Paladin Advisors. We cannot assure our investors that in the future we will be able to achieve cash flows necessary to pay both our expenses and distributions at our historical per share amounts, or to maintain distributions at any particular level, if at all.

Because our cash flows from operations have been insufficient to pay distributions we have paid or declared to our stockholders through the date of this Annual Report, we cannot assure our investors that we will be able to continue paying distributions to our stockholders at our historical per-share amounts, or that the distributions we pay will not decrease or be eliminated in the future. From the date of inception through December 31, 2010, we have paid \$8,349,238 in distributions to our stockholders and intend to continue paying distributions to our stockholders in the future. In order to permit us to pay distributions declared to date, (1) we have used cash distributions from our investments as well as offering proceeds and (2) Paladin Advisors has deferred the reimbursement of certain general & administrative expense payments and its receipt of asset management and acquisition fees. Specifically, as of December 31, 2010, Paladin Advisors and its affiliates have incurred on our behalf \$7,825,525 in organization and offering costs. In addition, Paladin Advisors and its affiliates paid on our behalf \$2,644,293 in general and administrative expenses in accordance with the 2%/25% Rule, as described below, of which \$1,747,054 has been reimbursed by the Company to Paladin Advisors and \$897,239 has been recorded as due to affiliates on the balance sheet.

In accordance with our charter and pursuant to the Advisory Agreement, Paladin Advisors must fund and pay us quarterly for any amount of operating expenses that in the 12 months then ended exceed the greater of (1) 2% of our average invested assets or (2) 25% of our net income, which we refer to as the “2%/25% Rule,” and we will not reimburse Paladin Advisors for operating expenses incurred on our behalf that in any fiscal year exceed the 2%/25% Rule. During the previous twelve months, our operating expenses, including expenses incurred on behalf of us by Paladin Advisors and its affiliates did not exceed the 2%/25% Rule. Our general and administrative expenses, which are the equivalent of total operating expenses for purposes of the 2%/25% Rule, as a percentage of average invested assets were 1.0% for the year ended December 31, 2010. For the year ended December 31, 2010, we paid Paladin Advisors asset management fees of \$380,880 and did not pay Paladin Advisors any acquisition fees.

We may be obligated to pay these amounts to Paladin Advisors in the future, and the payment of these obligations may impact our ability to pay future distributions subject to the 2%/25% Rule. Paladin Advisors is not obligated to either pay expenses on our behalf beyond the term of the Advisory Agreement or defer reimbursements of expense payments or fees in future periods. At such time as Paladin Advisors requires us to reimburse such expense payments or pay those fees, or if Paladin Advisors were to cease paying expenses on our behalf or deferring reimbursement of expense payments or fees, our ability to pay distributions to our stockholders could be adversely affected, and we may be unable to pay distributions to our stockholders, or such distributions could decrease significantly.

Our directors will determine the amount and timing of future cash distributions to our stockholders based on many factors, including the amount of funds available for distribution (including whether Paladin Advisors continues to pay expenses and/or defer reimbursement of expense payments or fees), our financial condition, requirements we must meet to qualify to be taxed as a REIT, whether to reinvest or distribute such funds, capital expenditures and reserve requirements and general operational requirements. The amount of funds available for distribution will be affected by our ability to identify and make real property investments or real estate related investments as offering proceeds become available, the returns on those real property investments or real estate related investments we make and our operating expense levels, as well as many other variables. We cannot predict how long it may take to identify additional real property investments or real estate related investments, to raise sufficient proceeds or to make real property investments or real estate related investments. We likewise cannot predict whether we will generate sufficient cash flow to continue to pay distributions at historical levels or at all.

In addition, differences in timing between the recognition of income and the related cash receipts or the effect of required debt amortization payments could require us to borrow money, use proceeds from the issuance of securities or sell assets to pay out enough of our taxable income to satisfy the requirement that we distribute at least 90% of our taxable income subject to certain adjustments, in order to qualify as a REIT.

Investors who purchased shares of our common stock in this offering may have incurred, as of December 31, 2010, dilution in the net tangible book value per share of our common stock from the price paid in this offering. Investors purchasing common shares in this offering may experience further dilution if we issue additional equity.

Net tangible book value is used as a measure of net worth that reflects certain dilution in the value of our common stock from the issue price as a result of (i) accumulated depreciation and amortization of real estate investments, (ii) fees paid in connection with our initial public offering and (iii) the fees and expenses paid to our advisor and its affiliates in connection with the selection, acquisition, management and sale of our investments. Net tangible book value does not reflect our estimated value per share nor does it necessarily reflect the value of our assets upon an orderly liquidation of the company in accordance with our investment objectives.

As of December 31, 2010, our net tangible book value per share was \$4.45, calculated as our net tangible book value as of December 31, 2010 (consisting of stockholders' equity, excluding certain identified intangible assets such as deferred financing and leasing costs, acquired above-market leases net of acquired below-market leases and acquired in-place lease value) divided by the 5,069,487 shares of our common stock outstanding as of December 31, 2010, as compared to our offering price of \$10.00 per share pursuant to this offering as of December 31, 2010.

Additionally, investors who purchased shares in this offering will experience dilution in the percentage of their equity investment in us as we sell additional common shares in the future pursuant to this offering, if we sell securities that are convertible into common shares or if we issue shares upon the exercise of options, warrants or other rights.

We are uncertain of our sources of debt or equity for funding future capital needs. If we are not able to locate sources of funding, our ability to make necessary capital improvements to our properties may be impaired or delayed.

The net proceeds of our this offering will be used to make real property investments, directly or through joint ventures, make real estate related investments and to pay various fees and expenses. In addition, to be taxed as a REIT, we generally must distribute to our stockholders at least 90% of our taxable income each year, subject to certain adjustments. Because of this distribution requirement, it is not likely that we will be able to fund a significant portion of our future capital needs from retained earnings. We have not identified any sources of debt or equity for future funding. While we have used short term borrowings since the commencement of the Offerings, including borrowings from affiliates of Paladin Advisors, Paladin Advisors is not required to facilitate any future affiliated loans for us, and we cannot assure our investors that adequate sources of funding will be available to us on favorable terms or at all. If we do not have access to sufficient funding in the future, we may not be able to make necessary capital improvements to our properties, pay other expenses or expand our business.

We may structure our joint venture relationships in a manner which may limit the amount we participate in the cash flow or appreciation of an investment.

We may enter into joint venture agreements, the economic terms of which may provide for the distribution of income to us in a manner other than in direct proportion to our ownership interest in the joint venture. For example, while we and a co-venturer may

invest an equal amount of capital in an investment, the investment may be structured such that we have a right to priority distributions of cash flow up to a certain target return while the co-venturer may receive a disproportionately greater share of cash flow than we are to receive once such target return has been achieved. Ten of our eleven real estate investments as of December 31, 2010 are structured in this manner. If the total returns from a structured investment exceed the target return for such investment, the co-venturer may receive more of the cash flow and/or appreciation upon sale of the property than its direct ownership interest would indicate. Conversely, if the total returns from a structured investment fall short of the target return for such investment, the co-venturer may receive less of the cash flow and/or appreciation upon the sale of the property than its direct ownership interest would indicate. If we do not accurately judge the appreciation prospects of a particular investment, we may have limited participation in the profits of a joint venture investment which could reduce our profitability from the investment.

We have guaranteed the mortgage loan on 801 Fiber Optic Drive, which may result in us being obligated to make substantial payments.

In connection with the refinancing of the mortgage loan on 801 Fiber Optic Drive, we agreed to guarantee the loan in the amount of \$1.3 million upon the occurrence of certain limited conditions. If we were to become obligated to perform under this guarantee, it could have an adverse effect on our financial condition and ability to pay distributions.

Updates to the Board of Directors and the Corporate Governance Committee

On January 3, 2011, Harvey Lenkin resigned as one of our independent directors. Mr. Lenkin had served on our board of directors since our inception and did not resign because of any disagreements with us. In connection with Mr. Lenkin's resignation, Michael B. Lenard notified our board on February 25, 2011 that he would resign as one of our directors effective March 4, 2011. Mr. Lenard's decision was made in consultation with the other members of the board, who had considered reducing the number of our directors from six to five following the resignation of Mr. Lenkin.

The board deemed the reduction of the number of directors the appropriate means of complying with provisions of our charter and bylaws, which both require a majority of the members of the board to be independent directors, except for a period of 60 days after the death, removal or resignation of an independent director. Mr. Lenard serves as one of our officers and as an officer of our advisor and sponsor and therefore does not meet the requirements of an independent director. His resignation will allow the three remaining independent directors, Harold H. Greene, Michael L. Meyer, and Christopher H. Volk, to constitute a majority. At the time of his resignation, Mr. Lenard had no disagreements with us and will continue to serve in his capacities as our Executive Vice President, Secretary and Counselor at our request.

In addition to approving the above measures, the board appointed Mr. Meyer to its Corporate Governance Committee as of March 3, 2011 to fill the vacancy created by Mr. Lenkin's departure

Update Regarding Our Interest in 801 Fiber Optic Drive

On November 2, 2005, we formed PRIP 801, LLC to acquire the property and improvements located at 801 Fiber Optic Drive in North Little Rock, Arkansas, or 801 Fiber Optic Drive. 801 Fiber Optic Drive is an industrial distribution facility that consists of approximately 10.95 acres of real property and a 56,336 square foot building that was completed in 2001. The property is 100% leased to FedEx Ground Package System, Inc. pursuant to a ten-year net lease that commenced on August 1, 2001 and was renewed on January 28, 2010 for a five-year term ending on July 31, 2016.

At the time of formation, PRIP 801, LLC acquired a 63.9% interest in 801 Fiber Optic Drive from an unrelated third party, and 801 FO, LLC, a separate unrelated third party, contributed its 36.1% interest in 801 Fiber Optic Drive to PRIP 801, LLC. In connection with the acquisition of our interest in 801 Fiber Optic Drive, we refinanced the existing debt on the property of approximately \$2.45 million, paying down approximately \$500,000 and financing the remainder through a new mortgage loan in the amount of \$1.95 million. Our ownership interest in PRIP 801, LLC was increased from 63.9% to 74.0% by the capital advanced in connection with the refinancing.

On November 29, 2007, we posted a \$550,000 irrevocable standby letter of credit secured by \$550,000 cash deposited in a certificate of deposit with Wachovia Bank N.A pursuant to the terms of a cash management agreement related to the mortgage loan on 801 Fiber Optic Drive. Since the mortgage loan was not paid off by November 1, 2010 as required by the cash management agreement, the lender drew the \$550,000 on the letter of credit to reduce the principal balance of the mortgage loan. 801 FO, LLC did not contribute any additional money. As a result, we currently own a 79.0% economic interest in PRIP 801, LLC and 801 FO, LLC owns the remaining 21.0% interest in PRIP 801, LLC.

On February 28, 2011, PRIP 801, LLC refinanced the mortgage loan on 801 Fiber Optic Drive in the amount of \$1,300,000. The new loan bears interest at a fixed rate of 6.75% and matures on February 1, 2014. The loan is generally prepayable subject to a prepayment premium of 1.5% based on the remaining amount of the loan, unless the property is sold to a third party. We have agreed to guarantee the loan, which is secured by a mortgage on the property.

On February 18, 2011, our board of directors approved the potential sale of 801 Fiber Optic Drive contingent upon a certain minimum selling price. As of the date of this Supplement No. 6, we have approved an offer of \$4,175,000 for 801 Fiber Optic Drive, which exceeds the minimum selling price approved by our board of directors, and have entered into a purchase and sale agreement with the prospective buyer. However, because the sale is subject to customary closing requirements and conditions, we can give no assurance that the transaction will be consummated in a timely manner or at all.

Investment in Stone Ridge Apartments

On March 30, 2011, our subsidiary, PRIP Stone Ridge, LLC, along with The DT Group, entered into a joint venture, DT Stone Ridge, LLC, which we refer to as DT Stone Ridge, to recapitalize Stone Ridge Apartments, located in Columbia, South Carolina. DT Stone Ridge is the successor and owner of Stone Ridge Apartments through the conversion of DT Columbia SC, L.P., a former subsidiary of The DT Group and previous owner of Stone Ridge Apartments, to DT Stone Ridge. Through PRIP Stone Ridge, LLC, we hold a 50.0% membership interest in DT Stone Ridge, and The DT Group, through its subsidiary, DT Columbia SC Management, LLC or the DT member, owns the remaining 50.0% membership interest in DT Stone Ridge. We anticipate that the recapitalization of Stone Ridge Apartments will relieve the debt service burden and provide needed capital for capital improvements, which will enhance management's ability to increase cash flow and returns.

Funding the Investment

The recapitalization of Stone Ridge consists of \$2,700,000 of equity and \$3,500,000 of new debt. We initiated the recapitalization of Stone Ridge Apartments on March 30, 2011 by investing \$1,350,000 to acquire our 50.0% membership interest in DT Stone Ridge and providing \$250,000 to the DT member under a potential \$500,000 short-term loan. As of March 30, 2011, the DT member had invested \$850,000 in cash and borrowed \$250,000 from PRIP Stone Ridge to acquire the remaining 50.0% membership interest. The DT member must contribute \$500,000 by May 31, 2011 to (i) repay the loan to PRIP Stone Ridge and (ii) fulfill its commitment to fund a total of \$1,350,000 to DT Stone Ridge. If the DT member fails to meet its funding commitment, the membership interests in DT Stone Ridge will be adjusted to reflect the actual amounts funded by each member. If the DT member does not make any additional capital contributions, PRIP Stone Ridge could own up to 68.5% based on \$1,850,000 of capital contribution. To complete the recapitalization, our advisor assisted DT Stone Ridge in obtaining a 12-month non-recourse bridge loan, or bridge loan, from C-III Commercial Mortgage LLC, in the amount of \$3,500,000 as evidenced by a commercial note dated March 30, 2011.

The bridge loan bears interest at a variable rate of 550 basis points over 30-day LIBOR; however, DT Stone Ridge purchased an interest rate cap which effectively fixed the interest rate at 6.5%. The bridge loan pays interest only and is generally prepayable at any time prior to its maturity, provided that any such prepayment occurs on the ninth day of the calendar month. The loan is prepayable without an exit fee for the first six months. If the loan is repaid in the next three months, DT Stone Ridge will be required to pay an exit fee equal to 0.5% of the loan amount. If the loan is repaid anytime thereafter, the exit fee will be 1.0% of the loan amount. The bridge loan is secured by a mortgage on Stone Ridge Apartments. We have agreed to guarantee certain exceptions provided in the terms of the non-recourse bridge loan, but only upon the occurrence of certain limited events. All of the \$3,500,000 in loan proceeds were funded at closing. DT Stone Ridge intends to refinance the bridge loan within 12 months and expects to obtain a permanent, fixed-rate loan from Fannie Mae or Freddie Mac.

Our investment in DT Stone Ridge was funded with proceeds from our follow-on offering. In connection with our investment, we paid an acquisition fee to our advisor of \$46,500 pursuant to the terms of the advisory agreement. We will also pay our advisor an annual asset management fee of \$9,300 pursuant to the terms of the advisory agreement, which is less than the maximum fee allowed. In the event that our capital contribution increases as described above, we will pay an additional acquisition fee to our advisor of up to \$17,222 and an additional annual asset management fee of up to \$3,444.

The Property

Stone Ridge Apartments is a Class B- apartment rental community consisting of 12 two and three-story garden-style apartment buildings located on a 14.33 acre site in Columbia, South Carolina. The property was built in 1975. The property has an aggregate of approximately 199,226 rentable square feet and an average unit size of 1,043 square feet. The property contains 44 one-bedroom, one-bath units, 93 two-bedroom, one and a half-bath townhouse units, 46 two-bedroom, two-bath units, and 8 three-bedroom, two and a half-bath townhouse units. Ground floor units have patios, and second story units have balconies. The property has been periodically renovated, including the installation of new windows and siding in the 1990s, and most recently the replacement of 10 of 13 roofs in 2008.

The leased space is comprised entirely of residential apartment units. Each lease is specific to an individual unit. Collectively, the units are leased subject to the terms of a standard lease form. Individual leases generally have a term of one year. As of December 31, 2010, the property had an average lease rent per unit of \$704, an average effective rent per unit of \$538 and was 85.3% occupied.

Stone Ridge Apartments lies approximately three miles northwest of the Columbia central business district via I-126. The property competes effectively with other rental apartment communities in its submarket based on tangible factors such as rental rate and unit type, as well as intangible factors such as proximity to places of employment, schools and shopping and recreational venues.

In the opinion of management, the property is suitable and adequate for its intended purpose and is adequately covered by insurance. We obtained a Phase I environmental survey and are satisfied with the environmental status of the property.

For federal income tax purposes, the tax basis in Stone Ridge Apartments is approximately \$6,200,000. The real property component of Stone Ridge Apartments will be depreciated on a straight-line basis using estimated useful lives of 27.5 years for building and building improvements and by the 200% declining balance method using estimated useful lives of five to seven years for furniture, fixtures and equipment. Realty taxes for the fiscal year ended 2010 on Stone Ridge Apartments were \$184,760 at a tax rate of 2.67% of the tax assessor's appraised value of \$6,926,400.

The Operating Agreement

On March 30, 2011 PRIP Stone Ridge, LLC entered into an operating agreement with the DT member, which governs the structure, operation and management of DT Stone Ridge and the interests of its investors.

We have committed to fund up to \$1,850,000 to this joint venture investment. We structured our initial investment to consist of (i) \$1,350,000 of preferred equity for a 50% membership interest and (ii) \$250,000 as a member-loan to the DT member at a 15% interest rate. The operating agreement provides that we will receive a priority preferred return of 12.0% annually from operating cash flow before distributions to the DT member. After we receive our preferred return, the DT member will receive a 5.0% annual pro rata return on its contributed capital. Thereafter, we will receive an incremental return of 3% annually until we receive a 15% total annual return on our investment, inclusive of our priority preferred return. Finally, distributions will be split 50% to us and 50% to the DT member. Until the member-loan is repaid, all distributions to the DT Member shall be distributed to PRIP Stone Ridge, LLC with the funds used to first repay the interest and then to reduce the principal on the loan. In the event that the member-loan is not repaid, we will convert the loan to equity, and the ownership interests will be adjusted to reflect the pro rata contributions.

The operating agreement provides for distributions of sale or refinancing proceeds, if any, as follows. First, residual proceeds will be distributed to us as a return of equity. Second, after our invested capital has been returned, proceeds will be distributed to us until we achieve a 15% internal rate of return, or IRR. Third, proceeds will be distributed to us to satisfy our yield maintenance amount, which is a fixed dollar sum equal to the total amount we would have received if our investment remained outstanding for five years. The initial yield maintenance amount would be equal to \$1,012,500 and will be reduced by actual distributions of operating cash flow to us. Finally, after the yield maintenance amount is reduced to zero, 100% of all remaining proceeds will be distributed to the DT member. Until the member-loan is repaid, all distributions to the DT Member shall be distributed to PRIP Stone Ridge, LLC with the funds used to first repay the interest and then to reduce the principal on the loan. At any time after we have received the sum of the amounts due to us under the terms of the operating agreement as described above, either PRIP Stone Ridge or the DT Member may exercise a put-call mechanism which will enable and require DT Stone Ridge to purchase the interest of PRIP Stone Ridge for \$1,000.

Except as otherwise described in the operating agreement, all aspects of the business and affairs of DT Stone Ridge will be managed, and all decisions affecting the business and affairs of DT Stone Ridge and Stone Ridge Apartments will be made, by the members, acting through a five-member management committee. Our representatives will hold three seats on the committee, and DT member representatives will hold two seats. A majority vote of the management committee will be decisive on all matters.

The Property Management Agreement

Pegasus Residential, LLC, an independent property management firm unrelated to either member of DT Stone Ridge, has been engaged as the property manager of Stone Ridge Apartments pursuant to a property management agreement that provides for an initial one year term and automatic renewals for successive one year terms. Either party may terminate the property management agreement upon 30 days' prior written notice. A management fee is payable monthly in arrears equal to 5.0% of the monthly gross revenues of Stone Ridge Apartments for the first four months of operations. Thereafter, the fee will consist of a 3.5% base fee and a 0.5% bonus. The bonus will be contingent upon achieving a minimum annual net operating income.

Fees and Reimbursements Paid to our Advisor and its Affiliates

Set forth below is a chart showing fees and reimbursements paid to our advisor and its affiliates during the nine months ended September 30, 2010 and the year ended December 31, 2009 in connection with our offerings.

	Amounts Incurred Year Ended December 31, 2010	Amounts Incurred Year Ended December 31, 2009
<i>Offering Stage:</i>		
Selling Commissions and Dealer Manager Fee	\$ 524,728	\$ 715,868
Wholesaling Costs	—	—
Other Organization and Offering Expenses	217,000	282,731
<i>Operational Stage:</i>		
Acquisition Fees	—	298,116
Origination Fees	—	—
Reimbursement of Acquisition Expenses	—	—
Asset Management Fee	380,880	330,123
Expense Reimbursement	1,747,054	—
<i>Disposition Stage:</i>		
Subordinated Disposition Fee	—	—
Subordinated Distribution of Net Sales Proceeds	—	—
Subordinated Distribution Upon Listing	—	—
Subordinated Distribution Upon Termination	—	—

As of December 31, 2010, fees and reimbursements accrued but not yet paid was approximately \$474,258, representing general and administrative expenses due to affiliates less organization and offering costs due from affiliates.

Updated Prior Performance Summary Disclosure

The "Prior Performance Summary" section of the prospectus is hereby superseded by the following:

The information presented in this section represents the historical experience of real estate programs sponsored or advised by our sponsor, Paladin Realty, and its affiliates. The following summary is qualified in its entirety by reference to the Prior Performance Tables, which may be found in Appendix A to the prospectus. Investors in our common shares should not assume that they will experience returns, if any, comparable to those experienced by investors in such prior Paladin real estate programs. Investors who purchase our common shares will not thereby acquire any ownership interest in any of the entities to which the following information relates.

The returns to our stockholders will depend in part on the mix of product in which we invest, the stage of investment and our place in the capital structure for our investments. As our portfolio is unlikely to mirror in any of these respects the portfolios of the prior Paladin real estate programs, the returns to our stockholders will vary from those generated by those prior Paladin real estate programs. In addition, all of the prior Paladin real estate programs were conducted through privately-held entities that were not subject to either the up-front commissions, fees and expenses associated with this offering or many of the laws and regulations to which we will be subject. We are also the first program sponsored by Paladin Realty or any of its affiliates that has investment

objectives permitting the making or acquiring of mortgage loans or mezzanine loans. None of Paladin Realty, Paladin Advisors or any of their affiliates has experience making such investments or in operating a REIT or a publicly offered investment program. As a result, you should not assume the past performance of the prior Paladin real estate programs will be indicative of our future performance. See “Risk Factors — Risks Relating To Our Business — We differ from prior programs sponsored by Paladin Realty in a number of respects, and therefore the past performance of those programs may not be indicative of our future results” and the Prior Performance Tables located in Appendix A to the prospectus.

Prior Investment Programs

Since 1995, Paladin Realty and its predecessors have managed real estate investments for high net worth individuals, foundations and institutions. As of December 31, 2010, Paladin Realty or its affiliates had sponsored or advised 29 real estate investment partnerships. All of these prior programs had investment objectives generally similar to ours. This offering is the first public offering of a real estate program sponsored by Paladin Realty. The Prior Performance Tables included in Appendix A to this prospectus set forth information as of the dates indicated regarding certain of these prior Paladin real estate programs as to (1) experience in raising and investing funds (Table I); (2) compensation to the sponsor (Table II); (3) annual operating results of the prior programs (Table III); (4) results of completed programs (Table IV); and (5) sales or disposals of property (Table V). Additionally, Table VI contained in Part II of the registration statement (which is not part of this prospectus) gives certain additional information relating to properties acquired by these Paladin real estate programs. Upon written request, we will furnish a copy of this table to you without charge. See “Where You Can Find Additional Information” in the prospectus.

Summary Information

Capital Raising

The total amount of funds raised from investors in the prior Paladin real estate programs, as of December 31, 2010, was approximately \$1.1 billion. These funds were invested in real estate with an aggregate cost, including debt and investments of joint venture partners, of approximately \$3.3 billion. The total number of investors in these prior programs, collectively, is 115. See Table I and Table II for more detailed information about Paladin Realty’s experience in raising and investing funds and compensation paid to Paladin Realty and its affiliates as the sponsor of these programs.

Investments

The prior Paladin real estate programs had acquired 324 properties as of December 31, 2010. The table below gives further information about these properties:

<u>Location</u>	<u>Properties Purchased (as a percentage of aggregate purchase price)</u>
United States	
Pacific Coast	29%
West	10%
Plains States	1%
South Central	8%
Southeast	4%
Northeast	5%
Latin America	
Costa Rica	5%
Mexico	10%
Brazil	19%
Chile	8%
Peru	1%

One of the prior Paladin real estate programs has invested in stock of two public Brazilian homebuilding companies, which represents less than 4% of the total costs of all properties and investments made.

The following table gives a percentage breakdown of the aggregate amount of the acquisition and development costs of the properties purchased by the prior Paladin real estate programs, categorized by type of property, as of December 31, 2010, all of which were existing (used) or developed by the program (construction).

	New	Used	Construction
Commercial			
Office Buildings	—	11%	—
Industrial Buildings	—	1%	—
Shopping Centers	—	—	—
Residential			
Apartments	—	25%	—
Hotels	—	6%	—
Homebuilding	—	—	41%
Land Development	—	—	6%
Resort residential	—	—	7%
Other	—	2%	1%
Total	—	45%	55%

Sales

As of December 31, 2010, these prior Paladin real estate programs had sold 156 of the total of 324 properties, or 48% of such properties, to third parties. These completed prior real estate programs made aggregate equity investments of \$334 million in those properties, for which they received a return of \$582 million upon the sale of those properties. In addition to these 156 sold properties, in connection with the termination of another prior Paladin real estate program, that program transferred 79 properties to a newly formed Paladin real estate program. The prior Paladin real estate program made aggregate equity investments of \$156 million in those 79 properties, and in that transaction those equity investments were transferred to the new program based on a \$187 million valuation. See also Tables III, IV and V for more detailed information as to the operating results of the prior Paladin real estate programs whose offerings closed since December 31, 2005, results of such programs that have completed their operations during the five years ending December 31, 2010 and sales or other disposals of properties by the prior Paladin real estate programs during the three years ending December 31, 2010.

Three Year Summary of Acquisitions

From December 31, 2007 through December 31, 2010, the prior Paladin real estate programs acquired 33 residential properties, one apartment property, one office property and two investments in stock of public Brazilian homebuilding companies. The total acquisition costs of these properties was approximately \$301 million, of which approximately \$90 million, or 30%, was financed with mortgage financing and the remaining \$211 million was provided by investors. The locations of these properties, and the number of each property in each location, are as follows: Kansas (1), Brazil (25), Costa Rica (2), Mexico (3) and Peru (6).

See Table VI in Part II of the registration statement of which this prospectus is a part for more detailed information as to the acquisition of properties during the three years ending December 31, 2010. Upon request and for no fee, we will provide a copy of such table to any investor.

Adverse Business Developments

The prior Paladin real estate programs have occasionally been adversely affected by vacancies either due to defaults of tenants under their leases or the expiration or termination of tenant leases. Where vacancies have continued for a long period of time, these programs suffered reduced revenues resulting in less net operating income to be distributed to the investors. In addition, the resale value of such properties may have diminished as the market value of a particular property often depends principally upon the net operating income of such property. Further, certain of the prior Paladin real estate programs have participated in development activities, and the sales pace of the properties developed by such programs has decreased due to global economic conditions.

Prior Performance Tables

The prior performance tables contained in the prospectus are hereby updated by the prior performance tables attached to this Supplement No. 6 as Appendix A. The updated prior performance tables supersede and replace the prior performance tables contained in the prospectus.

Termination of the Automatic Reinvestment Plan

We previously disclosed that we had terminated the automatic investment plan described on page 148 of the as of March 7, 2011.

Subscription Agreement

A revised form of subscription agreement is attached to this Supplement No. 6 as Appendix B. The revised form supersedes and replaces the form included in the prospectus.

Experts

The "Experts" section of the prospectus is hereby replaced in its entirety by the following:

The consolidated balance sheets of Paladin Realty Income Properties, Inc. and subsidiaries as of December 31, 2010 and 2009 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2010, have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein and upon the authority of said firm as experts in accounting and auditing.

Information Regarding Documents Incorporated by Reference

We have elected to "incorporate by reference" certain information into this prospectus supplement. By incorporating by reference, we are disclosing important information to you by referring you to documents we have filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement. You may read and copy any document we have electronically filed with the SEC at the SEC's public reference room in Washington, D.C. at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the operation of the public reference room. In addition, any document we have electronically filed with the SEC is available at no cost to the public over the Internet at the SEC's website at www.sec.gov. You can also access documents that are incorporated by reference into this prospectus supplement at our Internet website at www.paladinreit.com.

- Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC on March 29, 2011;
- Definitive Proxy Statement filed with the SEC on April 25, 2011; and
- Current Reports on Form 8-K filed with the SEC on January 5, 2011, January 25, 2011, March 3, 2011, March 30, 2011 and April 26, 2011.

We will provide to each person to whom this prospectus is delivered a copy of any or all of the information that we have incorporated by reference into this prospectus supplement but not delivered with this prospectus supplement. To receive a free copy of any of the reports or documents incorporated by reference in this prospectus supplement, other than exhibits, unless they are specifically incorporated by reference in those documents, write or call us at 10880 Wilshire Blvd., Suite 1400, Los Angeles, California 90024, (866) 725-7348. The information relating to us contained in this prospectus supplement does not purport to be comprehensive and should be read together with the information contained in the documents incorporated or deemed to be incorporated by reference in this prospectus supplement.

APPENDIX A

PRIOR PERFORMANCE TABLES

The following prior performance tables (“Tables”) provide information relating to the real estate investment programs sponsored by Paladin Realty and its affiliates which have investment objectives similar to ours (the “prior Paladin real estate programs”). This offering is the first publicly offered program sponsored by Paladin Realty. All of the prior Paladin real estate programs have been private real estate investment funds offered to institutional and other private investors or single project real estate investment vehicles, also primarily involving institutional investors.

Prospective investors should read these Tables carefully together with the summary information concerning the prior programs as set forth in the “Prior Performance Summary” section of this prospectus.

Our determination as to which of Paladin Realty’s prior real estate programs have investment objectives similar to ours was based on the type and approximate size or value of the properties in which the programs invested, whether through acquisitions or development of properties, and experience with multiple property types and “value added” opportunities in properties that the programs acquired. We also considered that each program sought investments with the ability to realize growth in the value of the investments. Additionally, these programs sought some investments that would provide the ability to make regular cash distributions. We consider programs that invested primarily in these product types (which would include all the prior Paladin real estate programs) to have investment objectives similar to ours, although we may make investments in other product types from those in which prior Paladin real estate programs have invested and the prior Paladin real estate programs have included some product types in which we currently do not intend to invest.

Although we consider each of the prior Paladin real estate programs to have had similar investment objectives to ours, investors in our common stock should not assume that they will experience returns, if any, comparable to those experienced by investors in such prior Paladin real estate programs. The returns to our stockholders will depend in part on the mix of product in which we invest, the stage of investment and our place in the capital structure for our investments. As our portfolio is unlikely to mirror in any of these respects the portfolios of the prior Paladin real estate programs, the returns to our stockholders will vary from those generated by the prior Paladin real estate programs. In addition, the prior Paladin real estate programs, which were conducted through privately-held entities, were not subject to either the up front commissions, fees and expenses associated with this offering or many of the laws and regulations to which we will be subject. We are also the first program sponsored by Paladin Realty or any of its affiliates to make or acquire mortgage loans or mezzanine loans. None of Paladin Realty, Paladin Advisors or any of their affiliates has experience making such investments or in operating a REIT or a publicly offered investment program. As a result, you should not assume the past performance of the prior Paladin real estate programs will be indicative of our future performance. See “Risk Factors — Risks Relating To Our Business — We differ from prior programs sponsored by Paladin Realty in a number of respects, and therefore the past performance of those programs may not be indicative of our future results.”

The inclusion of the Tables does not imply that we will make investments comparable to those reflected in the tables or that investors in our shares will experience returns comparable to the returns experienced in the programs referred to in the tables. If you purchase our shares, you will not acquire any ownership in any of the programs to which the Tables relate.

The following Tables are included herein:

Table I — Experience in Raising and Investing Funds

Table II — Compensation to Sponsor

Table III — Operating Results of Prior Programs

Table IV — Results of Completed Programs (as applicable)

Table V — Sales or Disposals of Properties

Additional information relating to the acquisition of properties by the prior Paladin real estate programs is contained in Table VI, which is included in Part II of the registration statement which we have filed with the Securities and Exchange Commission. Copies of any or all information will be provided to prospective investors at no charge upon request.

TABLE I
(UNAUDITED)
EXPERIENCE IN RAISING AND INVESTING FUNDS (ON A PERCENTAGE BASIS)(a)

This Table provides a summary of the experience of Paladin Realty as a sponsor in raising and investing funds in programs for which the offerings have closed during the three years ended December 31, 2010. Information is provided as to the manner in which the proceeds of the offering have been applied. Also set forth is information pertaining to the timing and length of these offerings and the time period over which the proceeds have been invested. Information is provided as of December 31, 2010.

	<u>Paladin Realty Latin America Investors III, LP</u>	<u>Villa West Investors, LLC</u>
Dollar Amount Offered	\$500,000,000	3,900,000
Dollar Amount Raised	\$454,333,333	2,582,500
Less offering expenses:		
Selling commissions and discounts retained by affiliates	—	9.5%
Organizational expenses	0.2%	1.9%
Loan Costs	0.3%	0.0%
Reserves		
Percent available for investment	99.55	88.6%
Acquisition costs:		
Prepaid items and fees related to purchase of property	—	—
Purchase Price (cash down payment)	41.9%	88.6%
Acquisition fees	—	—
Other (explain)	—	—
Total acquisition costs	41.9%	88.6%
Percent leverage (mortgage financing divided by total acquisition cost)	28.9%	78.8%
Date offering began	05/01/08	09/22/08
Length of offering (in months)	17	4
Months to invest 90 percent of amount available for investment (measured from beginning of offering)	(b)	(c)

(a) All percentage amounts except “Percent leverage” represent percentages of the “Dollar Amount Raised.”

(b) This program is still in the process of investing proceeds.

(c) All proceeds were invested at the time the proceeds were accepted from the offering.

Past performance is not necessarily indicative of future performance.

**TABLE II
(UNAUDITED)
COMPENSATION TO SPONSOR**

Table II summarizes the amount and type of compensation paid to Paladin Realty and its affiliates during the three years ended December 31, 2010 in connection with (a) prior Paladin real estate programs the offerings of which have closed since December 31, 2007 and (b) on an aggregate basis, 14 prior Paladin real estate programs the offerings of which closed on or prior to December 31, 2007.

<u>Type of Compensation</u>	<u>Paladin Realty Latin America Investors III, LP</u>	<u>Villa West Investors, LLC</u>	<u>Other Programs</u>
Date offering commenced	05/01/08	09/22/08	—
Dollar amount raised	\$454,333,333	2,582,500	569,387,156
Amount paid to sponsor from proceeds of offering			
Selling Commissions	—	244,500	—
Acquisition fees			
—real estate commission	—	—	—
—advisory fees	—	—	309,110
—other	—	—	—
Organization Costs	820,027	—	—
Dollar amount of cash generated from operations before deducting payment to sponsor	—	—	N/A
Amount paid to sponsor from operations:			
Property management fees	—	—	—
Partnership management fees	13,269,826	57,500	40,595,421
Reimbursements	1,596,904	—	1,780,482
Leasing commissions	—	—	—
Other (Asset management fees)	—	—	35,650,858
Dollar amount of property sales and refinancing before deducting payments to sponsor			
—cash	22,096,317	—	878,738,516
—notes	—	—	—
Amount paid to sponsor from property sales and refinancing			
Real estate commissions	—	—	—
Incentive fees	—	—	9,569,799
Other — Disposition Fees	—	—	1,030,524

Past performance is not necessarily indicative of future performance.

items	1,796,478	656,492	(333,546)	6,807,195	3,800,822	6,564,595	76,964,885	(69,393,852)	(2,912,966)	9,991	10,854
Tax and Distribution Data per \$1000 Invested											
Federal Income Tax Results:											
Ordinary income (loss)											
—from operations	(1)	(33)	(36)	(34)	(14)	N/A	(4)	(14)	N/A	87	207
—from recapture	—	—	—	—	—	N/A	—	—	N/A	—	—
Capital gain (loss)	—	—	—	—	—	N/A	—	—	N/A	—	—
Cash distributions to Investors											
Source											
—Investment income	—	—	—	—	—	—	—	—	26	93	494
—Return of capital	—	—	—	—	—	—	—	—	19	—	1,000
Source (on cash basis)											
—Sales	—	—	—	—	—	—	—	—	45	—	—
—Refinancing	—	—	—	—	—	—	—	—	—	—	1,360
—Operations	—	—	—	—	—	—	—	—	—	93	134
—Return of Unused Capital Called	—	—	—	—	—	—	—	—	—	—	—
Amounts (in percentage terms) remaining invested in program properties at the end of the last year reported in the Table (original total acquisition cost of properties retained divided by original total acquisition cost of all properties in program)			100%			95.0%			94.0%	100%	

(a) Federal income tax results for the 2010 tax year are not yet available for this program.

Past performance is not necessarily indicative of future performance.

TABLE V
(UNAUDITED)
SALES OR DISPOSALS OF PROPERTY

Table V presents summary information on the results of sales or disposals of properties from prior Paladin real estate programs during the three years ended December 31, 2010. The Table includes information about the net sales proceeds received from the sales of the properties, the cash invested in the properties, the taxable gain or loss from the sales and the cash flow from operations of the properties.

Property	Date Acquired	Date of Sale	Selling Price, Net of Closing Costs and GAAP Adjustments				Cost of Properties, Including closing Costs and Soft Costs			Excess (Deficiency) of Property Operating Cash Receipts Over Cash Expenditures	
			Cash Received Net of Closing Costs	Mortgage Balance at Time of Sale	Purchase Money Mortgage Taken Back by Program	Adjustments Resulting from Application of GAAP	Total(1)	Original Mortgage Financing	Total Acquisition Cost, Capital Improvements, Closing and Soft Costs		Total
William E. Simon & Sons Realty Partners, L.P.											
Creative Hotel Associates	12/15/1997	7/1/2008	54,813,011	48,104,519	—	—	102,917,530	50,278,081	30,613,758	80,891,839	33,323,959
RSL Assisted Living	6/17/2000	11/17/2009	51,900,000	43,453,582	—	—	95,353,582	43,302,431	33,386,853	76,689,284	4,483,174
City Projects Homebuilding Platform	7/19/2000	Various	19,544,000	—	—	—	19,544,000	—	6,536,000	6,536,000	19,544,000
PKS Homebuilding Platform	8/1/2000	Various	12,212,000	—	—	—	12,212,000	—	5,125,000	5,125,000	12,212,000

Note 1 — Allocation of taxable gain (loss) associated with individual property sales between ordinary and capital gains (losses) is as follows:

	Taxable Gain	Capital Gain	Ordinary Gain
William E. Simon & Sons Realty Partners, L.P.			
Creative Hotel Associates	30,731,529	26,107,510	4,624,019
RSL Assisted Living	34,667,356	18,183,287	16,484,069
City Projects Homebuilding Platform	13,008,000	—	13,008,000
PKS Homebuilding Platform	7,087,000	—	7,087,000

Past performance is not necessarily indicative of future performance.

APPENDIX B



**SUBSCRIPTION AGREEMENT
FOR SHARES OF PALADIN REALTY INCOME PROPERTIES,
INC.**

1. YOUR INITIAL INVESTMENT

Return to:
Paladin Realty Income Properties, Inc.
c/o Wells Fargo Bank, N.A.
Corporate Trust and Escrow Solutions
Attn: Chad Peterson
625 Marquette Ave. 11th Floor
MAC N9311-115
Minneapolis, MN 55479

Instructions for investors other than
custodial accounts

Make all checks payable to:
Paladin Realty Income Properties, Inc.

Wire transfers should be sent to:
Wells Fargo Bank, NA
ABA 121000248
Account Name: Trust Wire Clearing
Account Number: 0000405200
Attn: Chad Peterson (612) 316-2534
Ref. FCT: Paladin Realty Income Properties, Inc.

The minimum investment is \$3,000. Investment Amount \$

A. Volume Discount. Please link the tax identification numbers or account numbers listed below for Volume Discount privileges, so that this and future purchases will receive any discount for which they are eligible.

Tax ID/SSN or Account Number	Tax ID/SSN or Account Number	Tax ID/SSN or Account Number
------------------------------	------------------------------	------------------------------

B. Check this box if you are eligible for Net Commission Purchases. Net Commission Purchases are available to: employees (and their spouses and minor children) of a Broker-Dealer, employees (and their spouses and minor children) of Paladin Realty Income Properties, Inc. and its affiliates, investors purchasing through a Registered Investment Advisor (RIA), or investment participants in a wrap account or commission replacement account approved by the Broker-Dealer, a RIA, a bank trust account, or similar entity.

2. FORM OF OWNERSHIP (Please print clearly)

(Select only one)

- | | |
|---|---|
| <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> JOINT TENANT
<i>(Joint accounts will be registered as joint tenants with rights of survivorship unless otherwise indicated)</i>

<input type="checkbox"/> <i>Transfer on Death-optional designation of beneficiaries for individual, joint owners with rights of survivorship, or tenants by the entireties.</i>

<input type="checkbox"/> PENSION PLAN (Third Party Administered Plans)
<input type="checkbox"/> UNIFORM GIFT/TRANSFER TO MINORS (UGMA/UTMA)
Under the UGMA/UTMA of the State of _____ | <input type="checkbox"/> CUSTODIAL ACCOUNT
<i>(Retirement Application must be attached)</i>
<input type="checkbox"/> IRA <input type="checkbox"/> SEP/IRA
<input type="checkbox"/> ROTH/IRA <input type="checkbox"/> OTHER: _____

<input type="checkbox"/> TRUST (Include Trustee Certification)
<input type="checkbox"/> NON-PROFIT ORGANIZATION
<input type="checkbox"/> CORPORATION OR PARTNERSHIP
<i>(Corporate Resolution or Partnership Agreement must be attached)</i>
<input type="checkbox"/> OTHER (Include title and signature pages) |
|---|---|

ACCOUNT NUMBER

Individual/Custodian**

Custodian's Name	Tax ID Number	Investor's Account Number
First Name	(Mi) Last Name*	Gender (M/F)
Social Security Number*	Date of Birth (MM,DD,YYYY)*	
Joint Owner/Minor		
First Name	(Mi) Last Name*	Gender (M/F)

Social Security Number*	Date of Birth (MM,DD,YYYY)*
Transfer on Death Beneficiary Information <i>(Individual or Joint Tenant Accounts Only)</i>	
First Name (Mi) Last Name	Social Security Number ___Primary ___%
First Name (Mi) Last Name	Social Security Number ___Primary ___%
Trust/Corporation/Partnership/Other Entity	
Name of Trust, Corporation, Partnership or other Entity*	Date of Trust*
Full Name(s) of Trustee(s)*	Tax ID Number*

* *Required by law*

** *For custodial accounts, a completed copy of this Subscription Agreement should be sent directly to the custodian. The custodian will forward the subscription documents and wire the appropriate funds to Wells Fargo Bank, N.A.*

Check this box if you are subject to backup withholding.

3. YOUR ADDRESS (Section 3C must be completed if mailing address in Section 3A is a P.O. Box)

A. Owner's Mailing Address/Address of Record (Will not be accepted without a permanent street address)

Address		Apt. #
City	State	Zip Code
If Non-U.S., Specify Country	Daytime Phone Number	E-Mail Address

B. Joint Owner's Street Address (If different than address of record)

Street Address		Apt. #
City	State	Zip Code
If Non-U.S., Specify Country	Daytime Phone Number	E-Mail Address

If you are using a P.O. Box for your mailing address, then you must provide a street address for verification purposes. Please provide your street address in this section.

C. Residential Street Address

Street Address		Apt. #
City	State	Zip Code
If Non-U.S., Specify Country	Daytime Phone Number	

4. DISTRIBUTION INFORMATION

Complete distribution section to enroll in the Distribution Reinvestment Plan, to elect to receive distributions by direct deposit, or to elect to receive distributions by check mailed to you at the address set forth in Section 3 above. Choose option A, B, C or D.

I hereby subscribe for Shares of Paladin Realty Income Properties, Inc. and elect the distributions option indicated.

- A. **Reinvest/Distribution Reinvestment Plan** (see Prospectus for details)
- B. **Cash/Direct Deposit** Please attach a voided pre-printed check. (Non-Custodian Investors Only)

I authorize Paladin Realty Income Properties, Inc. or its agent to deposit my distribution to my checking or savings account. This authority will remain in force until I notify Paladin Realty Income Properties, Inc. in writing to cancel it. In the event that Paladin Realty Income Properties, Inc. deposits funds erroneously into my account, they are authorized to debit my account for an amount not to exceed the amount of the erroneous deposit.

Name of Financial Institution	Mailing Address	
City	State	Zip Code

Please attach voided pre-printed check here*

** The above services cannot be established without a preprinted voided check. For Electronic Funds Transfers, signatures of bank account owners are required exactly as they appear on bank records. If the registration at the bank differs from that on this Subscription Agreement, all parties must sign below.*

Signature

Signature

Your Bank's ABA Routing Number	Your Bank Account Number	Checking Account	Savings Account
--------------------------------	--------------------------	------------------	-----------------

C. **Cash/Check** mailed to the address set forth in Section 3A above.

D. **Third-Party Payee.** Send distributions via check to third-party payee listed below: *(Not available for qualified plans without custodial approval)*

Name	Mailing Address
------	-----------------

City	State	Zip Code
------	-------	----------

Account #

Financial Advisor Signature	Date	Branch Manager Signature Date <i>(if required by Broker-Dealer)</i>
-----------------------------	------	--

FOR OFFICE USE ONLY

Check #	<input type="text"/>	Deposit Date	<input type="text"/>	Input By:	<input type="text"/>	W/S	<input type="text"/>
Batch #	<input type="text"/>	Admit Date	<input type="text"/>	Proofed By:	<input type="text"/>	Region	<input type="text"/>
Subscription #	<input type="text"/>	Compiled By:	<input type="text"/>	Posted By:	<input type="text"/>	Territory	<input type="text"/>

7. SUBSCRIBER SIGNATURES

TAXPAYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER CONFIRMATION (*Required*): The investor signing below, under penalties of perjury, certifies that (i) the number shown on this subscription agreement is my correct taxpayer identification number (or I am waiting for a number to be issued to me), (ii) I am not subject to backup withholding because I am exempt from backup withholding, I have not been notified by the Internal Revenue Service (“IRS”) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, and (iii) I am a U.S. person (including a U.S. resident alien).

NOTE: CLAUSE (ii) IN THIS REPRESENTATION SHOULD BE CROSSED OUT IF THE WITHHOLDING BOX HAS BEEN CHECKED IN THE FORM OF OWNERSHIP SECTION.

Paladin Realty Income Properties, Inc. is required by law to obtain, verify and record certain personal information from you or persons on your behalf in order to establish the account. Required information includes name, date of birth, permanent residential address and social security/taxpayer identification number. We may also ask to see other identifying documents. If you do not provide the information, Paladin Realty Income Properties, Inc. may not be able to open your account. By signing the Subscription Agreement, you agree to provide this information and confirm that this information is true and correct. If we are unable to verify your identity, or that of another person(s) authorized to act on your behalf, or if we believe we have identified potentially criminal activity, we reserve the right to take action as we deem appropriate which may include closing your account.

Please separately initial each of the representations below. Except in the case of fiduciary accounts, you may not grant any person a power of attorney to make such representations on your behalf.

Each investor must sign and date this section. If title is to be held jointly, all parties must sign. If the registered owner is a partnership, corporation or trust, a general partner, officer or trustee of the entity must sign.

In order to induce Paladin Realty Income Properties, Inc. to accept this subscription, I hereby represent and warrant to you as follows:

- | | <i>Owner</i> | <i>Joint Owner</i> |
|---|---|---|
| (a) I have received a Prospectus of Paladin Realty Income Properties, Inc. | <input type="text"/>
<i>Initials</i> | <input type="text"/>
<i>Initials</i> |
| (b) I have (i) a minimum net worth (not including home, home furnishings and personal automobiles) of at least \$250,000, or (ii) a minimum net worth (not including home, home furnishings and personal automobiles) of at least \$70,000 AND a minimum annual gross income of at least \$70,000. | <input type="text"/>
<i>Initials</i> | <input type="text"/>
<i>Initials</i> |
| (c) If I am an Alabama or Kentucky investor, I have a liquid net worth of at least 10 times my investment in Paladin Realty Income Properties, Inc. | <input type="text"/>
<i>Initials</i> | <input type="text"/>
<i>Initials</i> |
| (d) If I am an Iowa investor, my maximum investment in Paladin Realty Income Properties, Inc. and its affiliates does not exceed 10% of my net worth. | <input type="text"/>
<i>Initials</i> | <input type="text"/>
<i>Initials</i> |
| (e) If I am a Kansas investor, I understand that the Office of the Kansas Securities Commissioner recommends that investors limit their aggregate investment in shares of Paladin Realty Income Properties, Inc. and other similar direct participation investments to not more than 10% of their liquid net worth, which is defined as that portion of net worth that is comprised of cash, cash equivalents and readily marketable securities. | <input type="text"/>
<i>Initials</i> | <input type="text"/>
<i>Initials</i> |
| (f) If I am a Michigan investor, I have not invested more than 10% of my net worth in Paladin Realty Income Properties, Inc. | <input type="text"/>
<i>Initials</i> | <input type="text"/>
<i>Initials</i> |
| (g) If I am an Oregon or Pennsylvania investor, I have a net worth of at least 10 times my | | |

investment in Paladin Realty Income Properties, Inc.

Initials

Initials

(h) I accept and agree to be bound by the terms and conditions of Paladin Realty Income Properties, Inc.'s Charter and Bylaws.

Initials

Initials

(i) I acknowledge that there is no public market for the Shares and, thus, my investment in Shares is not liquid.

Initials

Initials

(j) I am purchasing the Shares for my own account.

Initials

Initials

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signature of Owner Date
Signature of Joint Owner, Date
if applicable
Signature of Custodian/Trustee, Date
if applicable

(MUST BE SIGNED BY CUSTODIAN OR TRUSTEE IF IRA OR QUALIFIED PLAN IS ADMINISTERED BY A THIRD PARTY)

8. MISCELLANEOUS

Investors participating in the Distribution Reinvestment Plan or making subsequent purchases of Shares of Paladin Realty Income Properties, Inc., agree that, if they fail to meet the suitability requirements for making an investment in Shares or can no longer make the other representations or warranties set forth in Section 7 above, they are required to promptly notify Paladin Realty Income Properties, Inc. and the Broker-Dealer in writing.

Investors who reside in the States of Ohio and Alabama may not participate in the Automatic Investment Plan.

All items on the Subscription Agreement must be completed in order for your subscription to be processed. Subscribers are encouraged to read the Prospectus in its entirety for a complete explanation of an investment in the Shares of Paladin Realty Income Properties, Inc. Paladin Realty Income Properties, Inc. will send each stockholder a confirmation of his or her purchases.

Return to: Paladin Realty Income Properties, Inc., c/o Wells Fargo Bank, N. A., Corporate, Municipal and Escrow Solutions, Attn: Chad Peterson, 625 Marquette Ave., 11th Floor, MAC N9311-115, Minneapolis, MN 55479

Paladin Investor Services: Toll-free Phone: 866-PAL-REIT, Fax: 415-485-4553, Email: info@paladinreit.com

Accepted by Paladin Realty Income Properties, Inc.

By	Name	Title
----	------	-------



CORPORATE RESOLUTION
To be completed only by Corporate Subscribers

This form may be used by any current investor(s) (an "Investor") to grant designated officer(s) of a corporation full authority regarding an investment in Paladin Realty Income Properties, Inc. Complete and deliver the form to:

Investor Relations
Paladin Realty Advisors, LLC
c/o Phoenix American Financial Service
2401 Kerner Boulevard
San Rafael, California 94901

1-866-PAL-REIT
1-866-725-7348
e-mail:
investors.relations@paladinREIT.com
www.paladinREIT.com

Date:

I hereby certify that pursuant to:

- (a) a valid meeting of the board of directors of , a corporation organized and existing under
and by virtue of the laws of the State of (the "Corporation"), at which said meeting a quorum was present and acting throughout, or
- (b) a valid written consent of such a board of directors,

the following resolution was adopted and remains in full force and effect without modification through the date set forth above:

RESOLVED, that any officers of the Corporation listed below are, and any one of them hereby is, fully authorized, empowered, and directed to invest and to make any modifications to investments in Paladin Realty Income Properties, Inc. and that each of such officers is hereby authorized, empowered, and directed to execute, deliver on behalf of the Corporation and cause the Corporation to perform, under any and all agreements, instruments and other documents, and to take such actions as such officer may reasonably deem necessary or advisable to carry out such investments or modifications thereto.

I further certify that the authority thereby conferred is not inconsistent with the Charter or By-Laws of this Corporation, and that the following is a true and correct list of the officers of this Corporation as of the present date.

OFFICERS Please list all officers of the Corporation who meet the requirements listed above.

Name: Title:

Name: Title:

Name: Title:

In Witness Whereof, I have hereunto set my hand this day of 20

Secretary

4. INVESTMENTS PERMITTED

- (a) We certify that we have the power under the Trust and applicable law to enter into transactions involving the establishment and modification of subscriptions pertaining to investments in Paladin Realty Income Properties, Inc. in respect of which the Trust has submitted a subscription agreement.
- (b) We understand you, at your sole discretion and for your sole protection, may require the written consent of any or all Trustees prior to acting upon the instructions of any individual Trustee. We, the Trustee(s), jointly and severally shall indemnify you and hold you harmless from any liability for effecting any orders, transactions and instructions, if you act pursuant to instructions you believe to have been given by any of the Authorized Individuals listed under Sections 2 above.
- (c) We agree to inform you in writing of any amendment to the Trust that affects its interest in Paladin Realty Income Properties, Inc. or its actions in respect thereto, or any change in the composition of the Trustee(s), or any other event that could materially alter the certifications made above. You may rely on the continued validity of this certification indefinitely absent actual receipt of such notice.

5. TRUSTEE SIGNATURES All Trustees must sign. Should only one person execute this agreement, it shall constitute a representation that the signer is the sole Trustee. Attach extra pages if necessary.

Trustee Name <i>(please print)</i>	Signature	Date
Trustee Name <i>(please print)</i>	Signature	Date
Trustee Name <i>(please print)</i>	Signature	Date
Trustee Name <i>(please print)</i>	Signature	Date