



# Paladin Realty Income Properties, Inc.

## Redemption Request Form Redemption Price - \$9.30 per share

This form may be used by any investor(s) (an "Investor"), including the estate of a deceased Investor (a "Deceased Investor"), in Paladin Realty Income Properties, Inc. (the "Company") that is eligible to have their Company shares (the "Shares") redeemed by the Company pursuant to the Company's redemption program. **Please refer to the description of the Company's redemption program (the "Program") contained in the Company's prospectus.**

**To present for redemption all or a portion of such Investor's Shares of the Company, please deliver this form to:** Phoenix American Financial Services, Inc., Attn.: Paladin Realty Investor Relations Dept., 2401 Kerner Boulevard, San Rafael, California 94901. If you have any questions, please call Phoenix American at 1-877-485-4840 (toll free).

### 1. Status of the Investor

Indicate the current status of the Investor to which this form relates:

- The Investor does not have a qualifying disability, is currently living and has held his/her/its/their Shares for at least one year.
- The Investor has a qualifying disability (a "Disabled Investor") or is a Deceased Investor .

### 2. Name and Address of Investor

Name of Investor \_\_\_\_\_ Investor # \_\_\_\_\_

Street Address  
or P.O. Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Email Address \_\_\_\_\_ Telephone ( \_\_\_\_ ) \_\_\_\_\_

### 3. Disclosure Regarding the Redemption Program

#### a. For Shares held by Investors (other than Disabled Investors and Deceased Investors):

Prior to the time that the Shares of the Company are listed on a national securities exchange, Investors who have held their Shares for at least one year may present for redemption all or a portion of their Shares to the Company. At that time, the Company may, subject to the conditions and limitations stated in the Company's prospectus and applicable law, redeem the Shares presented for redemption for cash to the extent that the Company has sufficient funds available to fund such redemption.

- (i) The purchase price for the redeemed Shares of the Company during this offering will be \$9.30 per share, and during subsequent offerings of the Company's common stock, the repurchase price will be 93% of the offering price.
- (ii) The purchase price for the redeemed Shares of the Company during periods when the Company is not engaged in an offering will be 93% of the then-current net asset value per share, as determined by the Company's board of directors.

b. **For Shares held by Disabled Investors or Deceased Investors:**

Prior to the time that Shares of the Company are listed on a national securities exchange, a request to redeem Shares may be made by a Disabled Investor or on behalf of a Deceased Investor to have all or a portion of the Shares held by a Disabled Investor or a Deceased Investor, including Shares held in the name of such Deceased Investor through a revocable grantor trust, or an IRA or other retirement or profit-sharing plan, presented for redemption to the Company. If spouses are joint registered holders of Shares, the request to redeem the Shares may be made by use of this form if either of the registered holders becomes disabled or dies. At the time of such request for redemption, the Company may, subject to the conditions and limitations stated in the Company's prospectus and applicable law, redeem the Shares presented for redemption for cash to the extent that the Company has sufficient funds available to fund such redemption. The Company will waive the one-year holding period with respect to Shares held by a Disabled Investor or Deceased Investor. If the Investor is not a natural person (i.e., a trust (other than a revocable grantor trust) partnership, corporation or other similar entity), the right of redemption upon death or qualifying disability does not apply.

- (i) The purchase price for the redeemed Shares of the Company during this offering will be \$9.30 per share, and during subsequent offerings of the Company's common stock, the repurchase price will be 93% of the offering price.
- (ii) The purchase price for the redeemed Shares of the Company during periods when the Company is not engaged in an offering will be 93% of the then-current net asset value per share, as determined by the Company's board of directors.

**Please Note: Evidence acceptable to the Company of (1) the qualifying disability of the Disabled Investor or the death of the Deceased Investor and (2) proof that the person requesting the redemption is authorized to do so must be enclosed with this form (e.g., a copy of a death certificate and Letters of Testamentary).**

The applicable purchase price for the redemption of the Investor's Shares at the time of the Investor's presentation for redemption shall be referred to herein as the "Applicable Redemption Price". For further information regarding the redemption program, please see the Company's prospectus.

4. **Share Redemption Program Instructions**

Please indicate the number of Shares being presented for redemption:

- Please redeem 100% of the Investor's Shares of the Company at the Applicable Redemption Price.  
Number of Shares: \_\_\_\_\_
- Please redeem \_\_\_\_\_% of the Investor's Shares of the Company at the Applicable Redemption Price. Number of Shares: \_\_\_\_\_

If the Investor elects to redeem Shares pursuant to the Program, the Investor or the undersigned representative of the Deceased Investor understands that the Company's board of directors will determine when the Company has sufficient cash to repurchase Shares. The Company will limit the number of shares redeemed pursuant to its share redemption program as follows: (1) during any calendar year, the Company will not redeem in excess of 5.0% of the weighted-average number of shares outstanding during the prior calendar year; and (2) funding for the redemption of shares during a quarter will come exclusively from the proceeds the Company receives from the sale of shares under our distribution reinvestment plan following such quarter. Due to these limitations, the Company cannot guarantee that it will be able to accommodate all requests made in any quarter. If in any quarter, the shares subject to redemption requests exceeds those limitations or if the Company does not have sufficient funds available to redeem all shares subject to redemption requests, each stockholder's request will be reduced on a pro rata basis. In addition, if the Company redeems less than all of the Shares, the Investor can (1) withdraw the request for redemption, or (2) ask that the Company honor the request at such time, if any, when sufficient funds become available. Such

pending requests will be honored on a pro rata basis. In addition, officers of the Company may reject any request for redemption at any time and for any reason.

All tenders must be postmarked by midnight on the last day of the quarter and received by us within seven days thereafter. A stockholder may withdraw Shares tendered for redemption under the program at any time prior to the date on which such Shares are redeemed.

***Phoenix American, the Company's registrar and transfer agent, will charge stockholders a fee for share redemptions, which is currently \$50 per redemption but which may change in the future as determined by Phoenix American.***

## **5. Representations and Warranties of the Undersigned**

### **a. For Shares being redeemed by Investors (other than Disabled Investors and Deceased Investors):**

The undersigned Investor hereby represents and warrants (i) that Investor owns good and marketable title to, and all beneficial interest in, the Shares being presented for redemption, and that such Shares are owned free and clear of any pledge, security interest, lien, charge, claim, option, right of first refusal or other restriction on transfer of any nature whatsoever, with no defects of title whatsoever; (ii) that Investor has held such Shares for at least one year; and (iii) Investor shall not be entitled to any payments in respect of any increase in the value of the Shares following the date the Shares are presented for redemption. The undersigned Investor further represents and warrants that he, she, it or they shall complete and execute all such other documents necessary in order to affect the redemption, including any signature guaranty that may be required by the Company.

### **b. For Shares being redeemed by Disabled Investors:**

The undersigned Investor hereby represents and warrants (i) the Investor has received a determination of disability based upon a physical or mental condition or impairment arising after the date the Investor acquired the shares to be redeemed, and such determination of disability was made by the governmental agency responsible for reviewing the disability retirement benefits that the Investor could be eligible to receive; (ii) the Investor owns good and marketable title to, and all beneficial interest in, the Shares being presented for redemption, and that such Shares are owned free and clear of any pledge, security interest, lien, charge, claim, option, right of first refusal or other restriction on transfer of any nature whatsoever, with no defects of title whatsoever; and (iii) Investor shall not be entitled to any payments in respect of any increase in the value of the Shares following the date the Shares are presented for redemption. The undersigned Investor further represents and warrants that he, she, it or they shall complete and execute all such other documents necessary in order to affect the redemption, including any signature guaranty that may be required by the Company.

### **c. For Shares being redeemed on behalf of a Deceased Investor:**

The undersigned hereby represents and warrants that the undersigned is an executor or executrix of the estate, the heir or beneficiary of the Deceased Investor, or their trustee or authorized agent, and that the undersigned is authorized and able to request the redemption of the Deceased Investor's Shares on behalf of the Deceased Investor's estate. The undersigned further represents and warrants that (i) the Deceased Investor and the Deceased Investor's estate own good and marketable title to, and all beneficial interest in, the Shares being presented for redemption, and that such Shares are owned free and clear of any pledge, security interest, lien, charge, claim, option, right of first refusal or other restriction on transfer of any nature whatsoever, with no defects of title whatsoever; and (ii) that neither Deceased Investor or the Deceased Investor's estate shall be entitled to any payments in respect of any increase in the value of the Shares following the date the Shares are presented for redemption. In addition, the undersigned represents and warrants that he, she, it or they shall complete and execute all such other documents necessary in order to affect the redemption, including any signature guaranty that may be required by the Company.

[PLEASE SIGN THIS FORM ON NEXT PAGE]

7. Signatures

MY/OUR SIGNATURE(S) BELOW INDICATE(S) I/WE HAVE READ THE DESCRIPTION OF THE SHARE REDEMPTION PROGRAM IN THE COMPANY'S PROSPECTUS AND AGREE TO THE TERMS THEREIN AND HEREIN. This instruction will become effective, if at all, only upon the last date during a quarter in which the Company has received all of the properly completed redemption documents and such effectiveness shall be subject to the terms and conditions stated herein and stated in the Company's prospectus.

_____ Signature of Investor, Trustee or Authorized Person	_____ Printed Name of Investor or Trustee or Authorized Person <b>(Must be exactly as on the original Subscription Agreement)</b>	_____ Date
_____ Signature of Joint Owner, if applicable	_____ Printed Name of Joint Owner, if applicable <b>(Must be exactly as on the original Subscription Agreement)</b>	_____ Date
_____ IRA Beneficial Owner, if applicable	_____ Printed Name of IRA Beneficial Owner, if applicable <b>(Must be exactly as on the original Subscription Agreement)</b>	_____ Date