



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

## 1 YOUR INITIAL INVESTMENT Instructions for investors other than custodial accounts

### Return to:

Paladin Realty Income Properties, Inc.  
c/o Wells Fargo Bank, N.A.  
Corporate, Municipal and Escrow Solutions  
Attn: Lisa Reidburn  
666 Walnut Street  
MAC N8200-034  
Des Moines, IA 50309

### 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: Lisa Reidburn (515) 245-3256  
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)

**INDIVIDUAL OR JOINT**

*(Joint accounts will be registered as joint tenants with rights of survivorship unless otherwise indicated)*

*Transfer on Death-optional designation of beneficiaries for individual, joint owners with rights of survivorship, or tenants by the entirety.*

**IRA** *(Third Party Administered IRA)*

**PENSION PLAN** *(Third Party Administered Plans)*

**UNIFORM GIFT/TRANSFER TO MINORS** *(UGMA/UTMA)*

Under the **UGMA/UTMA** of the State of \_\_\_\_\_

**CUSTODIAL ACCOUNT** *(Retirement Application must be attached)*

**IRA**  **SEP/IRA**  **ROTH/IRA** **ACCOUNT NUMBER**

**TRUST** *(Include Trustee Certification)*

**NON-PROFIT ORGANIZATION**

**CORPORATION OR PARTNERSHIP**

*(Corporate Resolution or Partnership Agreement must be attached)*

**OTHER** *(Include title and signature pages)*

### Individual/Custodian\*\*

Custodian's Name	Tax ID Number	Investor's Account Number
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First Name	(Mi)	Last Name*	Gender (M/F)
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Social Security Number*	Driver's License No./ State*	Date of Birth (MM,DD,YYYY)*
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### Joint Owner/Minor

First Name	(Mi)	Last Name*	Gender (M/F)
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Social Security Number*	Drivers License No./ State	Date of Birth (MM,DD,YYYY)*
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### Transfer on Death Beneficiary Information (Individual or Joint Tenant Accounts Only)

First Name	(Mi)	Last Name	Social Security Number	____ Primary	____ %
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First Name	(Mi)	Last Name	Social Security Number	____ Primary	____ %
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### Trust/Corporation/Partnership/Other Entity

Name of Trust, Corporation, Partnership or other Entity*	Date of Trust*
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Full Name(s) of Trustee(s)*	Tax ID Number*
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\* 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.

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**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	

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**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
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- 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 #	

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**ELECTRONIC DELIVERY OF REPORTS AND UPDATES**

In lieu of receiving paper documents, I authorize Paladin Realty Income Properties, Inc. to make available on its website at www.paladinreit.com its quarterly reports, annual reports, proxy statements, prospectus supplements or other reports required to be delivered to me, as well as any property or marketing updates, and to notify me via e-mail when such reports or updates are available. Please note that electronic delivery of reports and updates is not available to residents of Ohio.

Send notices to: (You must provide an e-mail address if you choose this option)

E-Mail Address:

(May not be initially available)

Should you determine that you no longer wish to receive electronic delivery of reports and updates, please contact:

**Paladin Realty Income Properties, Inc.**

Attn: Operations  
10880 Wilshire Boulevard, Suite 1400  
Los Angeles, CA 90024  
(310) 996.8704

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**BROKER-DEALER OR REGISTERED INVESTMENT ADVISOR (RIA) INFORMATION** (All fields mandatory)

The Broker-Dealer or RIA must sign below to complete order. The Broker-Dealer or RIA hereby warrants that he/she is duly licensed and may lawfully sell Shares in the state designated as the investor's legal residence or the state in which the sale was made, if different.

Broker-Dealer or RIA Firm Name		Financial Advisor Name	
Financial Advisor Address			
City		State	Zip
Advisor Number	Branch Number	Telephone Number	
E-Mail Address		Fax Number	

This subscription was made as follows:

- Through a participating Broker-Dealer
- Through a participating RIA\* unaffiliated with a participating Broker-Dealer

\* A participating RIA is a RIA who has entered into a Selected Advisor Agreement.

The undersigned confirms on behalf of the Broker-Dealer that they (i) have reasonable grounds to believe that the information and representations concerning the investor identified herein are true, correct and complete in all respects; (ii) have discussed such investor's prospective purchase of Shares with such investor; (iii) have advised such investor of all pertinent facts with regard to the lack of liquidity and marketability of the Shares; (iv) have delivered a current Prospectus and related supplements, if any, to such investor; (v) have reasonable grounds to believe that the investor is purchasing these Shares for their own accounts; and (vi) have reasonable grounds to believe that the purchase of Shares is a suitable investment for such investor, that such investor meets the suitability standards applicable to such investor set forth in the Prospectus and related supplements, if any, and that such investor is in a financial position to enable such investor to realize the benefits of such an investment and to suffer any loss that may occur with respect thereto.

**I attest that I am a Registered Broker subject to the USA PATRIOT Act. In accordance with Section 326 of the Act, I have performed a Know Your Customer review of each investor who has signed this Subscription Agreement in accordance with the requirements of the Customer Identification Program.**

<b>Financial Advisor Signature</b>	<b>Date</b>	<b>Branch Manager Signature</b>	<b>Date</b>
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**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"/>

**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:

- |   | Owner  | Joint Owner  |
|---|--|--|
| (a) I have received a Prospectus of Paladin Realty Income Properties, Inc.  | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><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 style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> |
| (c) If I am an <b>Alabama</b> or <b>Kentucky</b> investor, I have a liquid net worth of at least 10 times my investment in Paladin Realty Income Properties, Inc.   | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> |
| (d) If I am an <b>Iowa</b> investor, my maximum investment in Paladin Realty Income Properties, Inc. and its affiliates does not exceed 10% of my net worth.  | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> |
| (e) If I am a <b>Kansas</b> 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 style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> |
| (f) If I am a <b>Michigan</b> investor, I have not invested more than 10% of my net worth in Paladin Realty Income Properties, Inc.   | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> |
| (g) If I am an <b>Oregon</b> or <b>Pennsylvania</b> investor, I have a net worth of at least 10 times my investment in Paladin Realty Income Properties, Inc.   | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> |
| (h) I accept and agree to be bound by the terms and conditions of Paladin Realty Income Properties, Inc.'s Charter and Bylaws.  | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> |
| (i) I acknowledge that there is no public market for the Shares and, thus, my investment in Shares is not liquid.   | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> |
| (j) I am purchasing the Shares for my own account.  | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> | <input style="width: 40px; height: 20px;" type="text"/><br><i>Initials</i> |

**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)**

**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 Automotic 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: Lisa Reidburn, 666 Walnut Street, MAC N8200-034, Des Moines, IA 50309

**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
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PALADIN  
REALTY  
INCOME  
PROPERTIES, INC.

## 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	1-866-PAL-REIT
Paladin Realty Advisors, LLC	1-866-725-7348
%Phoenix American Financial Service	e-mail: investors.relations@paladinREIT.com
2401 Kerner Boulevard	www.paladinREIT.com
San Rafael, California 94901	

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:
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Name:	Title:
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Name:	Title:
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In Witness Whereof, I have hereunto set my hand this	day of	20
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Secretary



# TRUSTEE CERTIFICATION OF INVESTMENT POWERS

To be completed only by Trust Subscribers

This form may be used in connection with investments held by a trust in Paladin Realty Income Properties, Inc. Complete and deliver the form to:

Investor Relations  
Paladin Realty Advisors, LLC  
% Phoenix American Financial Services  
2401 Kerner Boulevard  
San Rafael, CA 94901

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

**1**

## TRUST INFORMATION

Complete Name of the Trust:

Date of the Trust:

Date of the Latest Amendment:

**2**

## AUTHORIZED INDIVIDUAL(S)

You are authorized to accept orders and other instructions from those individuals or entities listed below, unless their authority is expressly limited on this certification (attach extra pages, if necessary.)

Please select one of the following three options:

- The Trustee(s) listed below may act as a majority as provided in the trust document referenced above.
- The Trustee(s) listed below may act independently as provided in the trust document referenced above.
- The Trustee(s) listed below must act collectively as provided in the trust document referenced above.

**The following are all of the Trustees of the Trust.** Please note: all Trustees must sign this certification in Section 5.

Trustee's Name *(please print)*:

Trustee's Name *(please print)*:

Trustee's Name *(please print)*:

Trustee's Name *(please print)*:

**3**

## SUCCESSOR TRUSTEES *Please complete this section if applicable.*

Successor Trustees:

Successor Trustees:

Successor Trustees:

Successor Trustees:

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**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.

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**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
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Trustee Name <i>(Please print)</i>	Signature	Date
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Trustee Name <i>(Please print)</i>	Signature	Date
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Trustee Name <i>(Please print)</i>	Signature	Date
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