



REAL ESTATE INVESTMENT DIRECTIVE

M2 Trust Services, LLC
700 17th Street, Suite 1100
Denver, CO 80202
Phone: (888) 265-1225

ACCOUNT HOLDER INFORMATION

First Name _____ Middle Initial _____ Last Name _____

INVESTMENT DIRECTIVE

I hereby direct the Purchase Sell of the following asset:

Investment Type **Income Producing** **Non-Income Producing**

- Unimproved Residential
- Improved Residential
- Residential (Single-Family)
- Residential (Multi-Family)
- Commercial Property
- Farm/Ranch

Property Information

Address: _____

City: _____

State: _____ Zip: _____

County: _____

A.P.N.# _____

(Assessor's Parcel Number)

Total Purchase Price \$ _____ **Ownership %** _____

Property Manager Information

Will there be a property Manager? **Yes** **No**

If yes, attach copy of Property Management Agreement.

DEBT FINANCING

If the property is to be purchased utilizing loan proceeds, loan must be a non-recourse note. Complete lender's information below and review unrelated debt financed income information on the first page.

Lender's Information

Lender's Name: _____

Address: _____

City: _____

State: _____ Zip: _____

Loan Amount: \$ _____ Interest Rate: _____

Maturity Date Month: _____ Day: _____ Year: _____

Loan #: _____

Note Payment Instructions

I direct the Custodian to make note payments from my account.

Payments are to be processed on the _____ day of each month.

The property manager will make note payments.

FUNDING INSTRUCTION

Send Funds by Check **U.S. Postal Service** **FedEx**

Payee Name _____

Address _____

City _____

State _____ Zip _____

Billing Account Number _____ Third Party Zip Code _____

Send Funds by Wire (Wire Fee Will Apply)

See Attached Wire Instructions

Bank Name _____

Bank Phone Number _____

Bank Address _____

Routing # _____

Account # _____

For Credit To _____

For Final Credit To _____

Send Funds by ACH (ACH Fee Will Apply)

See Attached ACH Instructions

Bank Name _____

Bank Phone Number _____

Bank Address _____

Routing # _____

Account # _____

For Credit To _____

For Final Credit To _____

ACKNOWLEDGMENT, AUTHORIZATION & ACCOUNT HOLDER SIGNATURE

I hereby acknowledge M2 Trust Services, LLC ("M2 Trust") and it's' officers, employees, directors and representatives (collectively, "representatives") did not provide tax, legal or investment advice; my account is self-directed; and I assume full responsibility for this investment. I understand and agree M2 Trust is not responsible for and does not guarantee the products, services or performance of any investment. I hereby release and agree to indemnify and hold harmless M2 Trust, its representatives, owners, affiliates, successors and assigns from any liability for any adverse consequences that may result from this investment. I agree to hold harmless, protect and indemnify M2 Trust and its representatives from and against any and all liabilities, losses, damages, expenses and charges that they may incur or sustain resulting directly or indirectly from my investment. I certify that the information and instructions provided, and the elections made by and through this investment directive, are true, correct and do not constitute a prohibited transaction under IRC § 4975. I hereby direct the purchase or sale of the asset listed above for my account.

Account Holder's Signature

Date

X _____

INVESTMENTS IN REAL ESTATE

Please read this entire document prior to completing an investment directive. Real estate may be purchased at your direction or added to your account as a result of a foreclosure on a mortgage or other promissory note secured by real estate which is currently held within your account. Make sure all investment related paperwork is accurately completed prior to sending to M2 Trust. Investment packages which are submitted with improperly executed documents or missing items will be considered incomplete and may result in processing delays and/or a reprocessing fee (refer to fee schedule).

All documents must reflect the owner to be **M2 Trust, cust fbo [Your Name] [IRA Account#]** and use **M2 Trust's tax identification number: 83-2254374**

Debt Financing

If you have insufficient funds in your account to make a purchase, your account can borrow funds (debt finance) to complete the investment transaction. Transactions involving debt financed property will result in two assets being created in your account, i.e., the real estate asset and a note payable (a negative asset reflecting the amount due and owing on the note payable).

Required Documents

The following supportive documents and information must be provided to M2 Trust along with the Real Estate Investment Directive in order to process a purchase or sale.

- a) Purchase Contract or Preliminary Settlement Statement in the name of **M2 Trust, cust fbo [Your Name] [IRA Account#]** signed by you as "Read and Approved" and received by us before we can send funds for closing.
- b) Property appraisal that is not older than one year, unless a cash purchase in which case the purchase price will be used.
- c) Wiring instructions for closing.
- d) Settlement statement and closing documents signed as "Read and Approved" by you.
- e) Proposed Deed with "When Recorded Return to" reflecting **M2 Trust 700 17th St., Suite 1100, Denver, CO 80202**.
- f) If the property is being financed, all loan documents must be reviewed and approved by you and sent to us before closing.

IMPORTANT: DO NOT set a closing date until all the items listed above have been provided in good order to M2 Trust. Once your investment has been processed you must arrange for the following items to be submitted directly to M2 Trust:

- Original recorded deed or assignment.
- Title Insurance Policy - The insured must be **M2 Trust, cust fbo [Your Name] [IRA Account#]**.
- Copy of liability insurance policy on the property. All insurance related expenses must be paid authorized by you and paid from your account.
- All executed loan documents.
- Copy of liability insurance policy reflecting the insured as **M2 Trust, cust fbo [Your Name] [IRA Account#]**.
- Copy of executed property management agreement (required only if the property is income producing).

NOTE: All earnest money deposits, insurance premiums, taxes, debt payments, or other expenses of the property (including any improvements) must be paid from your account. A copy of the invoice or tax notice must be sent to M2 Trust along with your written authorization to pay the expense from your account. As an alternative you can authorize your property manager to pay all such expenses from the rents collected on the property.

DEBT FINANCED REAL ESTATE

M2 Trust will allow you to invest in debt financed property in your account, subject to the document requirements noted above. In addition, the following information pertains to debt financed property.

- 1) Debt-financed property is only acceptable with the use of a **non-recourse promissory note** issued by a lending institution, third party, or by the seller of the property.
- 2) The non-recourse promissory note cannot be personally guaranteed and the lending institution can only look to the property securing the note as collateral.
- 3) Non-Recourse Promissory Note must be in the name of **M2 Trust, cust fbo [Your Name] [IRA Account#]**.
- 4) You must complete and sign the Debt Financing Payment Directive Form or section contained in the Real Estate Investment Directive.
- 5) You may also authorize the property manager to pay the note and other property related expenses from the income generated from the rental property or from funds provided by the account.
- 6) M2 Trust is not responsible for monitoring whether there are adequate funds in your account to make note payments or pay any other property related expenses.

IMPORTANT: Certain investments may generate Unrelated Business Taxable Income ("UBTI"), refer to §§ 511 through 514 of the Internal Revenue Code for more information. M2 Trust does not monitor for UBTI and does not prepare Form 990-T. If such a tax is applicable, you are responsible to have the proper 990-T tax form prepared and forwarded to M2 Trust along with your authorization to pay the tax from your account.

PROPERTY MANAGER

M2 Trust requires a property manager for income producing property. M2 Trust will not act as the property manager. You may act as the property manager or may engage a third-party to act as property manager. NOTE: See special rules below if you intend to act as the property manager. Whether you or a third-party, the property manager will be responsible for:

- Preparing and executing property lease agreements.
- Collection of rents. If you are acting as the property manager all rents must be made payable to **M2 Trust, cust fbo [Your Name] [IRA Account#]** and sent to us for deposit to your account.

- Payment of all property related expenses. If you are acting as the property manager, all expenses must be paid directly from your account at M2 Trust. In such cases you must send invoices, or other evidence of the property related expense, to M2 Trust with your authorization to release payment from your account.
- Handling evictions and debt collections.
- Ensuring adequate insurance is maintained on the property.
- Maintaining accurate records of all transactions, including rents, disbursements, etc.
- Providing a periodic report to M2 Trust, at least quarterly, reflecting rents, expenses, and the current balance of funds maintained by the property manager on behalf of your account. If you are acting as the property manager, you are not allowed to maintain any deposit balances. All funds must be sent to directly M2 Trust for deposit to your account.
- Complying with all applicable federal, state, and local laws, rules, ordinances & regulations

SPECIAL RULES APPLY WHEN YOU ACT AS THE PROPERTY MANAGER

In the event that you act as the property manager, the following rules also apply in accordance with Internal Revenue Code § 4975:

- All payments must be made payable as follows: **M2 Trust, cust fbo [Your Name] [IRA Account#]**.
- Any payment accepted and deposited by you that are not payable to M2 Trust will be deemed a distribution and reported on IRS form 1099-R.
- You cannot receive any consideration or payment (e.g. you cannot pay yourself income for acting as servicing agent).

PROHIBITED TRANSACTIONS

As a self-directed IRA Account Holder, it is important for you to be familiar with prohibited transactions. Internal Revenue Code § 4975 prohibits interactions between your account and certain individuals and entities related to you. A prohibited transaction is any transaction between your account and a disqualified person or entity. A disqualified person is yourself, any lineal descendant (i.e. children, grandchildren, parents, grandparents, etc.), spouse, spouse's descendants or any entity for which a disqualified person has 50% or more ownership. The following are examples of prohibited transactions:

- Lending money or engaging in some other extension of credit between your account and a disqualified person. For example, you cannot invest funds into an entity managed or controlled by a family member or lineal descendant.
- Furnishing goods, services or facilities between your account and a disqualified person.
- Transfer or use by or for the benefit of a disqualified person, the income or assets of your account.
- Dealing with income or assets of your account by a disqualified person acting in his/her own interest or for his/her own account.
- Receipt of any personal consideration by you or other disqualified person from any party in connection with a transaction involving the income or assets of your account.

For more information about prohibited transactions, refer to IRS PUBLICATION 590 and/or IRC § 4975. Please contact an attorney if you require assistance interpreting this material.

SUBMISSION OPTIONS

How to Submit Your Investment Directive - You can submit investment directive and supporting documents by mail, fax or email.

Mail	Fax	Email
M2 Trust Services, LLC 700 17th Street, Suite 1100 Denver, CO 80202	Fax: (720) 420-8381	Investments@M2Trustservices .com

DISCLOSURES

M2 Trust has not and will not complete any due diligence with regard to investments and will not question or review your investment decision. Investment decisions within your account are made entirely by you. You are responsible for the selection and management of all investments held in your account. M2 Trust is not a fiduciary as such term is defined in the Internal Revenue Code, ERISA or any other applicable local, state or federal laws. M2 Trust makes no representations or guarantees concerning investments and any such claims made by a financial representative or product provider are not supported by M2 Trust. M2 Trust does not sponsor or endorse any investment nor does it evaluate investments as to their merit.

M2 Trust typically processes investment paperwork within three business days, unless expedited service is requested (at an additional cost). Expedited service requests do not guarantee same-day service. If expedited service is requested, all required documents must be submitted with the investment directive at the same time.

M2 Trust charges a transaction fee to process investment transactions and an asset holding fee each quarter (refer to fee schedule).

You are responsible for the following: a) verify the individual or investment company you select places your funds into the proper investment; b) obtain necessary documentation from the individual or investment company to verify that the funds were correctly invested, including, but not limited to, issuance of proper certificates, appropriate allocation of shares or units, proper recordation; and c) ensure documentation evidencing your investment is sent to M2 Trust. M2 Trust is responsible for safekeeping only those documents which you or their agent delivers to M2 Trust.

Certain investments may generate Unrelated Business Taxable Income ("UBTI"), refer to §§ 511 through 514 of the Internal Revenue Code for more information. M2 Trust does not monitor UBTI and does not prepare Form 990-T. If such tax is applicable, you are responsible to have the proper 990-T tax form prepared and forwarded to M2 Trust along with your authorization to pay the tax from your account.

Investments may be subject to review by M2 Trust prior to funding in order to determine administrative feasibility. M2 Trust reserves the right to: 1) charge a nonrefundable special services fee for such reviews; and 2) not process any investment which it determines contains administrative, management or safekeeping requirements beyond our capabilities or expertise.

M2 Trust is required to report fair market values of assets held in the account. After the end of each year M2 Trust will send a fair market valuation request to investment entities. If the investment entity fails to respond to our request, your account may be charged a Late Asset Valuation Fee. If no valuation information is provided, M2 Trust will carry the investment at the last know value which might be the original acquisition value.

The investment is NOT insured by the FDIC, and is NOT a deposit or other obligation of, or guaranteed by M2 Trust. Investments are subject to investment risk, including the possible loss of the principal amount invested.