



# Buy Direction Letter

## For office use only

Note – Indicate whether this direction letter:

is the original

supersedes the direction letter sent on date: \_\_\_\_\_/time: \_\_\_\_\_

If you will be using funds from other accounts and/or qualified plans administered by us, please use separate Buy Direction Letters for each IRA and/or qualified plan. You may photocopy this form for this use.

**Administrator: IRA Resources, Inc**

The name of the company that performs record keeping and administration of your plan on behalf of custodian named in the account application.

### Form Instructions:

1. Please complete General Asset Information section.
2. Locate your asset type within this document and complete that section.
3. Sign and date this form, and return the original signed copy to our local office.
4. Maintain a copy for your records.

## General Asset Information

1. Name (as it appears on your account application)

2. Account number

3. Escrow/Title Co./Attorney(s) Entity(ies) responsible for closing the transaction between account and the Seller. If multiple entities, please include all names. Include contact names, phone and fax numbers.

I hereby authorize and direct the administrator and/or custodian to BUY the following asset for my account:

4. Asset name, description or property address. Describe the asset here. Provide the full physical address which appears on the current deed or tax records (if purchasing real estate, notes) or the name that the seller provides in a prospectus or offering. If stocks, bonds, or other securities, please include the CUSIP or ticker symbol.

5. Transaction fees to be paid by: All fees due at time of transaction. If no indication is made, fees will be deducted from your uninvested cash balance if available.

Choose One:

Your Account

Check

6. Delivery instructions. Please provide complete delivery instructions for your payment, including name, address, city, state and zip. Incomplete instructions will delay payment for your asset, or misdirect funds. Such instructions are supplied by the seller of the asset.

Choose One  Wire (Please complete wiring instructions)  Make check payable to Payee/Seller \_\_\_\_\_

Payee/Seller Mailing Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## A. Real Estate Complete this section if purchasing real estate

**A1. A.P.N #/legal description:** If used, must agree with documents we will sign on your accounts behalf. Please attach legal description, if needed.

**A2. Total purchase price (contract price)** The total purchase amount of the property minus settlement and other charges. If this changes, please send in addendum to update this information. Additional Settlement Charges may be listed on Escrow Instructions.

**A3. Deposit amount** (Funded by the Administrator to Escrow) The amount you would like us to fund into an escrow account for the purchase of this property. This amount will appear on your settlement statement. Do not fund escrow from personal funds, as this may be a disqualifying event.

\$

**A4. Percentage of ownership %** Percentage for this account.

**A5. Is the property to be mortgaged?**  YES  NO If YES, complete a Payment Authorization.

## B. Notes Complete this section if making a note purchase

I hereby authorize and direct the administrator and/or custodian to BUY the following asset for my account:

Buy existing note  Create new note  Carry back from a real estate sale  Unsecured note

Note secured by \_\_\_\_\_

**B1. Borrower(s) name(s)** If more than one borrower, include all names.

**B2. Borrower's address** Address where payment coupons/borrower notices are sent.

**B3. Telephone no.** Borrower's telephone number

**B4. Social security number of payor** Payor's S.S.N. for Mortgage Interest (1098 Purposes)



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**B5. Property address** *If this note is secured by a piece of property, please provide the physical address which appears on the current deed or tax records.*

**B6. Your percentage of ownership of this note**

**B7. Purchase price**

**B8. Note amount**  
*Face amount of Note.*

%

\$

**B9. Principal balance** *For existing note:*

**B10. Frequency**

\$

Monthly  Annually  Interest Only

Amortized  Other

**B11. Interest Rate**

**B12. Payment amount**

**B13. Maturity date** *Including extensions*

**B14. Name, address and phone number of loan servicer (  check if none):**

**B15. Administrator MUST be in receipt of the original note prior to funding.**

## C. Special Instructions

## D. General Buy Direction Authorization - Complete this section if purchasing assets other than real estate or notes

**D1. Quantity** *(Number of shares, units, etc.)*

**D2. Price** *(Per number of shares, units, etc.)*

**D3. Total purchase price** *(Quantity times price)*

\$

\$

## E. Prior to funding, all Private Placement Agreements must be completed and signed and transaction documents must be notated "read and approved" with your signature and date.

I understand that this hold harmless and release shall apply equally to the Administrator and Custodian. I understand that my account is self-directed and that the Administrator and Custodian named in the disclosure statement received when the account was established will not review the merits, legitimacy, appropriateness and/or suitability of any investment in general, including, but not limited to, any investigation and/or due diligence prior to making any investment, or in connection with my account in particular. I acknowledge that I have not requested that the Administrator and/or Custodian provide, and the Administrator and/or Custodian have not provided, any advice with respect to the investment directive set forth in this Buy Direction Letter. I understand that it is my responsibility to conduct all due diligence, including, but not limited to, search concerning the validity of title, and all other investigation that a reasonably prudent investor would undertake prior to making any investment. I understand that neither the Administrator nor the Custodian determine whether this investment is acceptable under the Employee Retirement Income Securities Act (ERISA), the Internal Revenue Code (IRC), or any applicable federal, state, or local laws, including securities laws. I understand that it is my responsibility to review any investments to ensure compliance with these requirements.

I understand that neither the Administrator nor the Custodian is a "fiduciary" for my account and/or my investment as such terms are defined in the IRC, ERISA, and/or any applicable federal, state or local laws. I agree to release, indemnify, defend and hold the Administrator and/or Custodian harmless from any claims, including, but not limited to, actions, liabilities, losses, penalties, fines and/or claims by others, arising out of this Buy Direction Letter and/or this investment, including, but not limited to, claims that an investment is not prudent, proper, diversified or otherwise in compliance with ERISA, the IRC and/or any other applicable federal, state or local laws. In the event of claims by others related to my account and/or investment wherein Administrator and/or Custodian are named as a party, Administrator and/or Custodian shall have the full and unequivocal right at their sole discretion to select their own attorneys to represent them in such litigation and deduct from my account any amounts to pay for any costs and expenses, including, but not limited to, all attorneys' fees, and costs and internal costs (collectively "Litigation Costs"), incurred by Administrator and/or Custodian in the defense of such claims and/or litigation. If there are insufficient funds in my account to cover the Litigation Costs incurred by Administrator and/or Custodian, on demand by Administrator and/or Custodian, I will promptly reimburse Administrator and/or Custodian the outstanding balance of the Litigation Costs. If I fail to promptly reimburse the Litigation Costs, Administrator and/or Custodian shall have the full and unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action in order to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Administrator and/or Custodian will not be responsible to take any action should there be any default with regard to this investment.

I am directing you to complete this transaction as specified above. I confirm that the decision to buy this asset is in accordance with the rules of my account, and I agree to hold harmless and without liability the Administrator and/or Custodian of my account under the foregoing hold harmless provision. I understand that no one at Administrator and/or Custodian has authority to agree to anything different than my foregoing understandings of Administrator's and/or Custodian's policy. If any provision of this Buy Direction Letter is found to be illegal, invalid, void or unenforceable, such provision shall be severed and such illegality or invalidity shall not affect the remaining provisions, which shall remain in full force and effect. For purposes of this Buy-Direction Letter, the terms Administrator and Custodian include its agents, assigns, joint ventures, licensees, franchises, affiliates and/or business partners. I declare that I have examined this document, including accompanying information, and to the best of my knowledge and belief, it is true, correct and complete.

**Not Responsible for Market Condition Variances:** I understand that I have agreed and instructed the Custodian to follow the investment directions which I provide to Administrator in investing the principal, as confirmed by written direction letters or instructions to Administrator from the undersigned for the above-referenced Account or other Custodial account for which Administrator serves as record keeper. I further understand that some transactions that I may direct or instruct Administrator to complete, especially commodities such as precious metals, that may be dependent upon the operation of global markets and entities, there could be fluctuations in price and condition of said investments from the time that I issue a direction letter to Administrator and the time when the transaction can actually be completed and recorded in my Account. I hereby agree to release, indemnify, defend and hold Administrator and Custodian harmless from any claims regarding the fluctuation in prices and/or conditions of any transaction I direct or instruct Administrator to make on my behalf. I further agree to waive any claims that I may have, past, present or future, known or unknown, anticipated or unanticipated, with respect to the fluctuation or change in the price or condition of any investment that I direct or instruct Administrator to make from the time I deliver my direction or instruction letter to Administrator until the time the transaction is actually completed and recorded to my Account. I understand that this hold harmless and release shall apply equally to the Administrator and Custodian.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Please read the disclosure above the signature line before signing and dating.



# Private Placement Instruction Letter for Account Owner

## Private Placement Instruction Letter for Account Owner

**Account Owner Name:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Name of Entity for Investment:** \_\_\_\_\_

**Name of Administrator or Record keeper:** \_\_\_\_\_

\_\_\_\_\_ (Administrator/Record Keeper) has received instructions from the above referenced Account Owner concerning an investment in the above named entity through his or her Account. The account to be invested is referred to in this document as the "Account", regardless of whether it is a retirement account under Internal Revenue Code (the "IRC") §401, §408 or §408A, a Coverdell Education Savings Account under IRC §530, or a Health Savings Account under IRC §223. The following instructions must be followed to ensure compliance with both IRS requirements

1) All vestings to read:

2) \_\_\_\_\_ requires the employer identification number (the E.I.N.) for the entity being invested in. Please provide us this information for our records prior to our funding this investment.

Do not use the Account Owner's personal social security number with respect to this investment for any purpose.

If the Account is an investor to which a K-1 or similar tax document will be issued, please use the following E.I.N.:

\_\_\_\_\_

If the Account is a 100% owner of the entity, the entity must apply for its own E.I.N. It is not permitted under The Entrust Group policy to use the E.I.N. listed above for any purpose other than the issuance of a K-1 or similar tax document to the Account.

3) Contact information and the correct mailing address for this investment should be listed as follows in your records:

Attn: Office Name:

Address:

City, State, Zip

Phone:

Fax:

All notices concerning the investment in the entity should be sent to the Administrator at the above address, with a copy to the Account Owner. Any questions pertaining to the Account should be referred to the Administrator.

4) Original stock certificates, membership certificates or other proof of ownership showing the proper vesting must be sent to and held by the Administrator listed in paragraph 3 on behalf of the custodian and the Account.

5) Because of federal privacy laws the Administrator is not able to answer third party inquiries about the Account unless the Account Owner has filed with the Administrator an original Interested Party Designation or Limited Power of Attorney, with the signature(s) either notarized or Medallion Guaranteed, giving the person making the inquiry authority to obtain information on the Account.

6) The Administrator must be provided with a fair market value of the Account's interest in the entity by January 15th of each year, in a form acceptable to the Administrator. The Administrator, acting on behalf of the custodian, is required to send the Account Owner a year end account statement by January 31 each year showing the value as of December 31 of the prior year. This valuation information is also reported to the IRS on Form 5498. The fair market value information is needed in order to complete that reporting.

7) All payments, income, distributions or payoffs for this investment must be sent to the Administrator for the benefit of the Account. Under the Internal Revenue Code, it is never acceptable to send funds directly to the Account Owner (or the Account Owner's nomi-

# Private Placement Instruction Letter

nee or designee).

8) As the owner of the investment on behalf of the Account, the Administrator (who is acting on behalf of the custodian in this respect) must be notified promptly of any change in address, telephone number, or company status (such as bankruptcy filings, regulatory agency investigations or litigation).

9) If the Account Owner dies, requests a distribution of the asset, converts the IRA to a Roth IRA, obtains a divorce in which the Account is awarded to the Account Owner's former spouse, or changes the custodian or administrator of the Account, it may be necessary to change the ownership and address listed as the investor in the entity. In any of these events, the Administrator, the Account Owner, or the successor to a deceased Account Owner in the case of death, will provide written notice of any such change. You will be required to change your records to reflect the new information at that time.

10) In the event that future capital contributions to the entity are required or desired (and provided the Account Owner determines that the capital call is not a prohibited transaction under Internal Revenue Code §4975 and there are sufficient funds in the Account), all funds must come from the Account. The Account Owner may not advance funds on behalf of the Account.

11) The Account Owner may not personally guarantee on behalf of the Account any indebtedness of the entity to a third party nor may the Account Owner guarantee any indebtedness of the Account to the entity.

12) If the entity will operate a business or own debt financed property and is a pass through entity for federal income tax purposes, the Account may owe unrelated business income tax (UBIT) on any profits from the investment. Neither the custodian nor the Administrator will prepare or file IRS Form 990T or any similar state tax filing on behalf of the Account. The Account Owner is responsible for causing these forms to be prepared and filed. Any taxes due must come from funds belonging to the Account and not from the Account Owner.

13) If this investment is for accredited investors only, the Account Owner, in his or her capacity as the beneficiary of the Account, must sign any required accredited investor certifications.

14) If the Plan Asset Regulations apply to this investment, the Account will be deemed to own not only shares in the entity itself but also a pro rata share of the underlying assets of the entity for purposes of the prohibited transaction rules of Internal Revenue Code §4975. A review of the prohibited transaction rules, the Plan Asset Regulations (29 C.F.R. §2510.3-101) and Interpretive Bulletin 75-2 (29 C.F.R. §2509.75-2) is strongly encouraged so that you will know which assets need to be evaluated and how to conduct the evaluation, with respect to the existence or absence of a prohibited transaction. If a prohibited transaction occurs, the Account is treated as having been distributed to the Account Owner as of January 1 of the year in which the prohibited transaction occurs. Additional penalties may apply to other disqualified persons who participated in the prohibited transactions.

15) Neither the custodian, nor the Administrator or Record keeper for the Account, will review or complete the subscription agreement, by-laws, operating agreement, partnership agreement, or trust agreement, as applicable, other than to verify that the ownership of the asset is vested correctly, the mailing address and employer identification number (E.I.N.) are correct, and the amount of the investment matches the buy direction letter from the Account Owner. The Account Owner is responsible to make sure the entity is not formed and will not operate in a way that violates the prohibited transaction rules of Internal Revenue Code §4975.

If you have any questions regarding these instructions, feel free to contact the Administrator as noted in paragraph 3. Please be aware that neither the custodian, nor the Administrator or Record keeper for the Account, is able to provide tax, legal or investment advice on this or any other issue.

I acknowledge receipt of the Private Placement Instruction Letter and agree to provide to the administrator or record keeper named on the instruction letter the required documents and information. **PLEASE SIGN AND MAIL THIS FORM TO OUR OFFICE.**

\_\_\_\_\_  
Signature of Account Owner

\_\_\_\_\_  
Date



IRA Resources, Inc  
6825 La Jolla Blvd.  
La Jolla, CA 92037  
(888) 322-6534

# Private Placement Disclaimer & Indemnity Agreement

## Private Placement Disclaimer and Indemnity Agreement

Account Owner Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Name of Entity for Investment: \_\_\_\_\_

Name of Administrator or Record-keeper: \_\_\_\_\_ IRA Resources, Inc

Name of Custodian: \_\_\_\_\_ Mechanics Bank

### Please complete the following information:

Within the above named entity I personally am (select one):

- Manager, managing member or partner, officer, director, trustee or a person with similar duties  
 Member, shareholder, partner or beneficiary (with no management duties)  
 None of the Above

*This Disclaimer and Indemnity Agreement will confirm our mutual understanding and agreement regarding the proposed investment by your Account in the above named entity. Your account is referred to in this document as the "Account", regardless of whether it is a retirement account under Internal Revenue Code (the "IRC") §401, §408 or §408A, a Coverdell Education Savings Account under IRC §530, or a Health Savings Account under IRC §223. You must sign this agreement and return it to us prior to making the investment in the entity.*

- 1) You understand and agree that the Custodian, the Administrator and/or the Record-keeper for your Account ited to or any agent, do not approve investments or actions you personally take or direct the Custodian, Administrator and/or Record-keeper to take on behalf of your Account. The Custodian, Administrator and/or Record-keeper are limited in their responsibilities under your Account, and their responsibilities do not include investment selection.
- 2) You understand and agree that the Custodian, the Administrator and/or the Record-keeper for your Account do not review and approve the subscription agreement, operating agreement, by-laws, limited or general partnership agreement, or any other similar agreement regarding the purchase or operation of the entity you want your Account to invest in.
- 3) You understand and agree that you are solely responsible for making sure that the entity was not formed and will not operate in a way that does or may lead to a prohibited transaction under IRC §4975.
- 4) You understand and agree that if the entity your Account is investing in becomes a "disqualified person" (as that term is defined in IRC §4975) upon funding (this may occur, for example, if your IRA and other disqualified persons, including you personally, own more than 50% of the entity), then any future mandatory capital calls may be considered to be a prohibited transaction under IRC §4975.
- 5) By signing this Disclaimer and Indemnity Agreement, you agree to indemnify and hold harmless the Custodian, the Administrator and/or the Record-keeper for your Account and their respective officers, directors, shareholders and employees against any liability associated with investing in the identified entity, including funding a capital call, and including any liability that arises because the investment is or may be a prohibited transaction under IRC §4975.
- 6) You understand and agree that the Custodian, the Administrator and/or the Record-keeper for your Account have given you no tax advice regarding the possibility that your Account may be subject to Unrelated Business Income Tax (UBIT) as a result of its investment in the identified entity. If your Account owes UBIT on its profits from the entity, you agree to prepare or cause to be prepared and filed a IRS Form 990T, and any similar filing required under applicable state laws, for each year with respect to which any such form is required, and to cause your Account to pay any UBIT that is reported in such forms. You understand and agree that any UBIT owed must come from funds belonging to the Account. Your agreement to indemnify and hold harmless, as set forth in paragraph 5) above, includes liability of the parties named therein with respect to UBIT and the preparation and filing of IRS Form 990T and similar state tax filings.



## Private Placement Disclaimer & Indemnity Agreement

7) You agree and understand that IRAR is required to report the fair market value of the Account to the Internal Revenue Service and/or to the Plan each year. You agree to obtain a fair market value for the Account's investment in the entity as of December 31 each year and report this information to IRAR on a form approved by IRAR no later than January 15 of the following year. You understand and agree that IRAR is entitled to rely on the valuation provided by you for reporting purposes and shall bear no responsibility as to the accuracy of the information provided. You understand and agree that until a different valuation is reported to IRAR, the value of the investment in the entity will be reported based on the Account's total investment in the entity. You understand and agree that if you fail to provide a fair market value to IRAR as required, IRAR may withdraw as administrator of your account and distribute the asset to you or to a successor custodian.

8) You represent that you understand that with some types of accounts there are rules for required minimum distributions from the account. If you are now subject to the required minimum distribution rules for your Account, or if you will become subject to those rules during the term of the investment, you represent that you have verified either that the entity that your Account is investing in provides distributions that will be sufficient to cover each required minimum distribution, or that there are other assets in your Account, or in other accounts that you may access for this purpose, that are sufficiently liquid (including cash) from which you will be able to withdraw your required minimum distributions as they become required.

9) You represent that you have done your own due diligence on the entity you want your Account to invest in.

10) You understand and agree that the Custodian, the Administrator and/or the Record-keeper for your Account do not make any attempt to evaluate the entity you want your Account to invest in. For example, they make no attempt to check the financial strength of the entity, nor do they check with the Secretary of State to see if the entity is in good standing, nor do they check with the Securities and Exchange Commission, the Better Business Bureau or any other governmental or non-governmental agency to see if any complaints have been filed against the entity. You, as the owner of the Account, are 100% responsible for evaluating the entity, its operations and the investment potential of the entity, including taking the steps described in the preceding sentence.

11) You understand and agree that you are also responsible for confirming that none of the "disqualified persons" with respect to your Account are associated in any way with the entity you want your Account to invest in.

12) You understand and agree that the Custodian, the Administrator and/or the Record-keeper for your Account, and their officers, directors, shareholders or employees have not given you any investment, legal or tax advice pertaining to this investment.

13) You understand and agree that if the Plan Asset Regulations issued by the U.S. Department of Labor apply, the entity is disregarded for purposes of the prohibited transaction rules of IRC §4975. In that case, the underlying assets of the entity are considered to be the assets in which your Account is investing, and each of the statements above regarding the entity must be true with regard to each of the assets that the entity invests in. You represent that you either understand the Plan Asset Regulations and Interpretive Bulletin 75-2 or that you have sought competent legal counsel regarding the Plan Asset Regulations and Interpretive Bulletin 75-2 and their potential application to the entity that you want your Account to invest in, prior to making your investment decision.

To signify your agreement with all of the above paragraphs, please sign below and return it to us by fax or email, with the original being followed up by mail. **PLEASE SIGN AND MAIL THIS FORM TO OUR OFFICE.**

Thank you for your cooperation. We look forward to continuing to serve your retirement account needs.

Accepted, Understood and Agreed to:	Received:
Client Signature	The Administrators Authorized Agent Signature
Date	Date