

Real Choice. Real Control. Real Wealth.

Dear *RealTrust* Self-Director:

The following action steps must be completed and pertinent documents delivered to *RealTrust's* Operations Center at least **48 hours prior** to the requested funding date for a Private Placement investment. As your contemplated investment opportunity is to be held in a *RealTrust* Self-Directed Account, the instructions set forth below must be followed to ensure compliance with both IRS requirements and *RealTrust* policies.

- (1) **Account Holder must fully and accurately complete/sign/return an Asset Purchase Directive to *RealTrust* (on forms provided by *RealTrust*).**

- (2) **Account Holder must review, sign and return the following documents to *RealTrust*:**
 - ***RealTrust* Private Placement Instructions (included herewith)**
 - **Subscription Agreement (with correct vesting as shown in the Private Placement Instructions)**

- (3) **Account Holder must provide *RealTrust* a copy of the following legal documents (as applicable):**
 - **LLC: Operating Agreement & Subscription Agreement**
 - **LP: Partnership Agreement & Subscription Agreement**
 - **Corporation: Articles of Incorporation, By Laws & Subscription Agreement**
 - **Private Placement Offering Memorandum**
 - **EIN of investment entity**
 - **Other: _____**

- (4) **Account Holder must sign as "Reviewed and Approved" on all documents PRIOR to *RealTrust* executing the pertinent document(s) and funding the investment.**

Please take Note: Delays in completing the action steps and/or returning the documents listed above (including providing incomplete or inaccurate documentation) will likely result in a delay of funding. *RealTrust* reserves the right to charge a "Rush" or "Special Handling Fee" in such event.

If you have any questions, please contact the *RealTrust* Operations Center at (509) 888-8100 or info@realtrustgroup.com. We are here to help our clients throughout the process and to expedite funding.

We look forward to serving you!

RealTrust Operations Staff

Operations Center

312 E. Trow Avenue, Suite 201 ♦ P.O. Box 69 ♦ Chelan, WA 98816
(509) 888-8100 (office) ♦ (877) 536-4100 (toll free)
www.realtrustgroup.com



**Instructions for IRA or 401(k)
Investment in
“Checkbook IRA LLC”**

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IRA/401(k) Account Holder Information:

Name: _____

RealTrust IRA/401(k) Account Number: _____

Name of Checkbook IRA LLC for Investment: _____

Step-by-Step Guide:

1. Open IRA/401(k) Account by completing the 4-page Application Kit, Transfer Form and ID
2. Discuss the particulars of the Checkbook IRA LLC with your Account Manager
3. Complete the IRA LLC Questionnaire and return with form of payment to your Account Manager
4. Once received, Legal Team applies for Certificate of Formation through the Secretary of State
5. Once State approval is obtained, Legal Team prepares LLC Charter Documents (Operating Agreement, Organizational Meeting Minutes and Company Resolution)
6. Legal Team obtains an EIN for the LLC through the IRS
7. Review, approve and sign LLC Charter Documents; forward to Account Manager for signature
8. Set up a Checking Account for the Checkbook LLC, at a Bank of your choosing
9. Discuss logistics of funding the LLC with your Account Manager
10. Once transaction documentation is approved, RealTrust funds the Checkbook IRA LLC

The following instructions must be followed to ensure compliance with both IRS requirements and *RealTrust* policy:

1) Account Holder vesting of LLC documents to read: (EXAMPLE ONLY, no action required)

A) IRA's: "Foundation Trust Company, LLC, Custodian, FBO _____ IRA"
(Account Holder)

B) 401(k)'s: " _____ 401(k) Plan & Trust FBO _____ Participant"
(Account Holder)

2) Please provide your Account Manager with the Employer Identification Number (EIN) assigned to the LLC being invested in **at least 48 hours prior** to the requested funding date for this Checkbook LLC investment.

- Account Holder's personal Social Security Number shall not be used with respect to this LLC investment for any purpose. Even if your IRA/401(k) Account will be a 100% Holder of the Checkbook LLC, the entity must obtain its own EIN. **Client initials:** _____



**Instructions for Investment in
“Checkbook IRA LLC”
(continued)**

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- The IRA/401(k) Account shall not use *RealTrust's* Trust EIN for any purpose other than the issuance of a K-1 or similar report to the Account Holder.

Client initials: _____

3) *RealTrust* must be provided with a **fair market valuation** (FMV) of the IRA/401(k) Account's interest in the entity by January 15th of each year, in a form acceptable to *RealTrust*. The fair market valuation should encompass all of the LLC's holdings including, but not limited to: bank account balance, brokerage account value, real estate value and any other asset value that the LLC has acquired. **Client initials:** _____

4) All payments, income, distributions or payoffs for this investment must be sent to the LLC's bank account. Pursuant to governing law, it is not acceptable to send funds directly to the Account Holder (or the Account Holder's nominee or designee). **Client initials:** _____

5) If the Account Holder dies, requests a distribution of the asset(s), converts the IRA/401(k) to a Roth IRA/401(k), obtains a divorce in which all or part of the Account assets are awarded to the Account Holder's former spouse, or changes the custodian or administrator of the Account, it may be necessary to change the Account Holder and address listed as the investor in the entity. In any of these events, *RealTrust*, the Account Holder, or the successor to a deceased Account Holder, will provide written notice of any such change and the pertinent records must be updated to reflect the new information at that time.

Client initials: _____

6) In the event that future capital contributions to the entity are requested or desired (and provided the Account Holder determines that the capital call is not a prohibited transaction under Internal Revenue Code §4975 and that sufficient qualified funds are available), all such funds must come through the *RealTrust* IRA/401(k) Account. The Account Holder may not advance personal funds on behalf of the Account. **Client initials:** _____

7) The Account Holder may not personally guarantee any indebtedness of the Checkbook LLC in favor of a third party, nor may the Account Holder guarantee any indebtedness of the IRA/401(k) Account in favor of the Checkbook LLC. **Client initials:** _____

8) If the entity will operate a business or own debt-financed property, and is a pass-through entity for federal income tax purposes, the IRA/401(k) Account may incur Unrelated Business Income Tax (UBIT) on income or profits from the investment. *RealTrust* does not prepare or file IRS Form 990T or any similar state tax filings on behalf of the Account. The Account Holder is responsible for determining the existence of UBIT and causing these returns to be prepared and filed in a timely manner. Any taxes due must be paid from funds belonging to the IRA/401(k) Account and not come from the Account Holder personally. **Client initials:** _____

If you have any questions regarding these instructions, feel free to contact *RealTrust* and/or your Account Manager. Please be aware that *RealTrust* does not provide tax, legal or investment advice on this or any other matter.

I acknowledge receipt of this Checkbook IRA LLC Instruction Letter and agree to provide *RealTrust* with the required documents and information at least 48 hours prior to funding of the contemplated investment.

PLEASE SIGN AND RETURN THIS FORM TO *REALTRUST'S* OPERATIONS CENTER AT YOUR EARLIEST CONVENIENCE.

_____, Account Holder Date: _____

RealTrust IRA Alternatives, LLC

Toll Free (877) 536-4100 Fax: (866) 904-8117

info@realtrustgroup.com

www.RealTrustGroup.com