

COLLATERAL CHECKLIST

Deed of Trust/Mortgage/Secured Note Investments

Gather the documents listed below based on the collateral of your secured note investment and submit to PENSCO Trust Company (PENSCO).

Note: Submitting incomplete documents will only delay the review and funding process. All documents requiring the lender's signature must first be signed "Read & Approved" with Account Owner signature.

IMPORTANT REMINDERS

- Please complete all documents (incomplete forms will delay the review and funding process). Documents that apply to all of the above investment types include: **Deed of Trust/Mortgage/Secured Note Investment Authorization form, PENSCO Loan Servicing Agreement, Copy of Note (promissory or loan payment), and evidence of collateral.** Include amortization schedule, if applicable.
- Please ensure your PENSCO account has sufficient cash to fund your investment, applicable transaction fees and account minimum cash requirements.
- **Beneficiary/lender should be PENSCO Trust Company, LLC, Custodian FBO (client name), IRA (or "Retirement Plan").**

Required Documents by Collateral Type

REAL PROPERTY	
<input type="checkbox"/> Promissory Note/Loan Agreement	
<input type="checkbox"/> Deed of Trust/Mortgage (proposed copy)	
<input type="checkbox"/> Assignment of Deed of Trust/Mortgage/Note	If applicable.
<input type="checkbox"/> Preliminary Title Report/Title Policy	Must be dated within 90 days. First or second lien positions only.
<input type="checkbox"/> Escrow Instructions SIGN READ & APPROVED	If applicable.

VEHICLE, MANUFACTURED OR MOBILE HOME	
<input type="checkbox"/> Promissory Note/Loan Agreement	
<input type="checkbox"/> Certificate of Ownership	In borrower's name.
<input type="checkbox"/> Registration of Title	
<input type="checkbox"/> Security Agreement SIGN READ & APPROVED	If applicable.

EQUIPMENT	
<input type="checkbox"/> Promissory Note/Loan Agreement	
<input type="checkbox"/> UCC Filing Proposal	If applicable.
<input type="checkbox"/> Security Agreement SIGN READ & APPROVED	

Required Documents (Cont.)

COMPANY SHARES*	
<input type="checkbox"/> Promissory Note/Loan Agreement	
<input type="checkbox"/> Security Agreement SIGN READ & APPROVED	If applicable.
<input type="checkbox"/> Pledge Agreement	If applicable.

PARTICIPATION AGREEMENT/MORTGAGE POOL*	
<input type="checkbox"/> Participation Agreement SIGN READ & APPROVED	
<input type="checkbox"/> Evidence of Underlying Collateral	

IF BORROWER IS AN ENTITY	
<input type="checkbox"/> Evidence of Good Standing	
<input type="checkbox"/> Company Agreement	(Operating Agreement, Articles, Bylaws, etc.)

*This investment requires additional PENSCO administrative review.

INVESTMENT AUTHORIZATION

Deed of Trust/Mortgage/Secured Note

GENERAL INSTRUCTIONS

As Lender, the Note should be payable to: **PENSCO Trust Company, LLC, Custodian FBO (CLIENT NAME) IRA**. Account Owner is responsible for obtaining a copy of the executed documents for his/her review and records. **Note:** All documents requiring the lender's signature must first be read and approved with Account Owner signature.

Enclosed is a Loan Servicing Agreement ("Servicing Agreement") that satisfies our requirements with regard to the Note being held as an investment in your account. The Servicing Agreement sets forth the responsibilities of the Agent. If preferred, the Account Owner may submit his/her own form of Servicing Agreement, which will be reviewed to determine that it adequately limits PENSCO's role and responsibility. Signatures are required on **Page 8**.

1. Account Owner Information

Name (first, mi, last)

PENSCO Account No.

Email Address

Primary Phone No.

2. Type of Securing Collateral

- Real property
 Vehicle
 Company shares
 Manufactured or mobile home
 Equipment
 Participation Agreement/Mortgage Pool
 Other type of collateral _____

3. Loan Information

I direct PENSCO to (select one):

Purchase. Is this note being purchased at a discount or at a premium?

Exchange

If Note is secured by deed of trust or mortgage, please indicate if is first lien position or second lien position

Property Address

City

State

County

Postal Code

Loan No. (if available)

Closing Date

Loan Amount:

\$

Purchase Price
(to be paid from the account)

\$

Face Value of Note
(if different from purchase price)

%

Percent Owned by Account

Terms of the Note: Principal and interest Interest only

Interest Rate

%

Maturity Date

Date of First Payment

4. Borrower Information (Borrower is an individual)

Borrower Name (first, mi, last)

Borrower Social Security No. (Required)

Borrower Address

City

State

Postal Code

Borrower Phone Type: Cell Home Business

Borrower's Email Address

5. Borrower Information (Borrower is a corporation, LP, LLC, or other entity)

Name of Borrowing Entity

Contact Name (first, mi, last)

Title at Company

Borrowing Entity's Tax ID. No. (Required)

State in Which Company is Registered

City

State

Postal Code

Primary Phone Type: Cell Home Business

Borrowing Entity's Email Address

6. Investment Funding Instructions

Payee Name

Street Address

City

State

Postal Code

Primary Phone Type: Cell Home Business

Select an option: Check Wire

Please complete instructions below or attach instructions.

Bank Name

ABA No. / Bank Routing No.

Bank Account Name

Bank Account No.

Reference No.

Continued on next page.

7. Document Forwarding Instructions

Use the address provided in "Funding Instructions."

Other (Please complete the information below.)

Recipient Name

Street Address

City

State

Postal Code

Select a delivery option below:

Regular Mail

Overnight (charge my PENSCO Account)

Overnight (use pre-addressed air bill, included)

Overnight (send via 3rd party billing) Account # _____ Fed Ex UPS

Note: If no box is checked, the default will be to overnight at the client's expense. Please refer to the fee schedule for details.

8. Acknowledgment & Signature

1. I understand that I am responsible, and PENSCO and its related entities are not responsible, for selecting and reviewing the above investment and for determining the suitability, nature, value, risk, safety and merits of the investment that I authorize PENSCO to make for my Account.
2. I understand that PENSCO is not related to or affiliated with the management or selling agent(s) of the investment(s) that I have directed PENSCO to purchase for my account. I acknowledge that PENSCO has not reviewed, recommended or commented on the investment merits, risks, suitability or management of the asset(s) I have selected and I authorize PENSCO to process this transaction. I therefore agree to release, indemnify, defend, and hold PENSCO and its related entities harmless from any claims arising out of making such investment. I also understand and agree that PENSCO and its related entities will not be responsible to take any action should the investment noted herein become subject to default, including fraud, insolvency, bankruptcy, or other court order or legal process.
3. I agree that any dispute regarding this investment shall be submitted to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association and the terms of the Custodial Agreement. I understand that the prevailing party shall be entitled to recover all legal fees, reasonable costs and expenses and that these shall be in addition to any award of damage or any other relief to which the prevailing party is entitled.
4. I have consulted my own attorney and hereby represent that PENSCO may hold title to this Note and/or its collateral, where applicable. I hereby represent to PENSCO that I understand the risks involved with this investment, specifically, that there may be liability above and beyond the amount of the investment in the collateral property (example: ad valorem property taxes on the property or liability arising under Environment Laws). The losses will include any losses caused by, or arising out of, the presence, on or about the Property, of any Hazardous Substances, or any person or entity complying or failing to comply with any Environment Law. The term "Environmental Law" means any law, rule, regulation, or ordinance relating to protection of the environment or human health. The term "Hazardous Substance" means any substance defined as hazardous or toxic, or otherwise regulated by any Environmental Law.
5. I represent that the above investment is not a prohibited transaction, as defined in the Internal Revenue Code and Department of Labor regulations. Notes secured by some assets cannot be held within an IRA; therefore, any disqualified assets will be liquidated prior to possession by PENSCO.
6. I acknowledge that this investment is not insured by the FDIC, is not an obligation of or guaranteed by PENSCO and is subject to risk, including the possible loss of principal.
7. I agree that this Deed of Trust/Mortgage/Secured Note Authorization is further subject to all the terms and conditions of the Custodial Agreement.
8. I acknowledge that no funds will be paid to my PENSCO account if an exchange from one asset (existing asset) held in my PENSCO account is made to another issued by the same asset sponsor (new asset). I request that PENSCO update its records to reflect the exchange transaction and the new asset into my account. I agree to indemnify and hold PENSCO and its related entities harmless and its affiliates, successors and assigns from any and all claims, damages and losses that may result from such transaction.

Continued on next page.

9. **Regarding Seller Financing/Carryback Investments for Secured Note:** Due to the new laws adopted in the Dodd-Frank Act established on January 10, 2014, if your retirement account, as the seller, is providing financing, there are specific criteria that must be met as it pertains to your retirement account, the property, and the note. Please discuss with your CPA or tax professional.

10. **I acknowledge that PENSCO is under no duty to investigate or inquire about the qualifications of the Agent I may select, nor is it required to monitor the actions of the Agent. I further agree that PENSCO will have no liability for any losses occurring because of actions or negligence of the Agent. I understand that PENSCO will not be responsible for any errors and omissions in the Servicing Agreement or for any actions taken by the servicing agent.**

Note: All Secured Note investments are subject to an administrative review by PENSCO Trust Company (PENSCO). Documents and forms may be returned to you if they are not complete and signed where required. Sufficient funds must be held in your uninvested cash to make the required payment. If the funds are not available, the Account Owner will be responsible for any interest or penalties incurred.

Please sign, date and provide all requested information.



Account Owner Signature

Date

Account Owner Name (print)

Borrower Name

Loan No.

\$ _____
Purchase Amount

Continued on next page.

Loan Servicing Agreement

GENERAL INFORMATION

A Loan Service Agent/Servicing Agreement is required. You may provide your own form of a Loan Servicing Agreement. If so, this form is not required. PENSCO and its related entities are not responsible for servicing any loan, promissory note, or "debt investment." PENSCO will not monitor whether or not a borrower has defaulted; therefore, it will not provide notice to Account Owners if a default occurs. PENSCO requires that the Account Owner appoint a loan servicing agent (Agent) to administer the Note.

1. Recitals & Agreement

PENSCO Trust Company (PENSCO) is the directed custodian of a retirement plan (Plan) that is beneficially owned by the Account Owner. The Account Owner has instructed PENSCO to acquire on behalf of the Plan a note secured by a deed of trust or mortgage (Note). PENSCO requires the Account Owner to appoint a loan servicing agent (Agent) to service this loan (separate Loan Service Agreements are required for each Note purchased by an Account Owner within his/her account.) The Account Owner appoints Agent to provide the services listed in this agreement and the Agent accepts such appointment. The Account Owner and Agent agree that the Agent is the Agent of the Account Owner, and not of PENSCO. The Account Owner acknowledges that PENSCO has not advised the Account Owner with respect to the selection of an Agent, and the Account Owner agrees that he/she alone, and not PENSCO has sole responsibility for the selection, retention, termination and monitoring of the Agent. The Account Owner and the Agent agree that PENSCO has a limited role in its capacity as directed custodian of the Plan and hereby agree that PENSCO will not be responsible for any of the Agent's duties or for the enforcement of this agreement.

2. As Loan Servicing Agent, I agree to:

- 1. Payments/Expenses.** Collect and book all payments received from the borrower and other parties. Forward these payments to PENSCO within five business days along with instructions as to how we should apply these funds to the account (i.e., principal & interest breakdown if applicable). If any disbursements are necessary, the Agent will be responsible for ensuring that invoices or payment instructions are forwarded to us for payment or paid directly from the loan servicing account. The Agent will not make any disbursement or pay any expense without the Account Owner's authorization.
- 2. Records.** Retain records for all parties. Records include but are not limited to: payment history (funds received from the borrower and any funds dispersed by the Agent to cover expenses), bank statements, and loan documents (executed note, recorded mortgage/ deed of trust, and final title policy). Upon request the Agent will provide a full accounting of these records to the Account Owner or PENSCO. The Agent will provide any demand statement for payoff and/or verification of payment history.
- 3. Default.** The Agent will proceed diligently to collect any past due payments and take all necessary actions to correct a default. The Agent will act upon the request and under the direction of the Account Owner during default proceedings. The Agent will promptly notify the Account Owner and PENSCO if the Agent is aware of any of the following: (a) default on the subject Note or senior liens; (b) if the borrower fails to maintain proper homeowner's insurance; (c) if the property is vacated or abandoned; (d) any sale, transfer, encumbrance, or assignment of the subject property; (e) the death, bankruptcy, insolvency, or other disability of the Borrower that might impair repayment of the loan; (f) any damage to the property; (g) any pending or threatened condemnation proceeding related to the property; (h) any pending or threatened litigation involving the property; (i) any lack of repair, waste, or other deterioration of the property. In the event that the deed of trust or mortgage becomes worthless, the Agent agrees to provide documentation **to Account Owner and PENSCO immediately.**
- 4. Non-Enforcement of Rights.** The Agent agrees not to waive, modify, release or consent to postponement on the part of the Borrower of any term of the Note without notice to, and prior written consent of the Account Owner, and notice to PENSCO.
- 5. Insurance.** The Agent will monitor and ensure that the borrower maintains adequate hazard and liability insurance on the subject property as acceptable by the Account Owner. All insurance policies will contain a standard mortgage clause in favor of, and with loss payable to, the Plan. Insurance policies will contain a provision to notify the Account Owner and PENSCO in the event of cancellation, termination, or modification of the policy.
- 6. Tax Reporting.** The Agent will provide, prepare and file Form 1098 (Mortgage Interest Statement) to comply with all regulatory deadlines. **Any tax reporting requiring the lender's Tax ID Number will be reported using the custodian's Tax ID Number 02-0526633.** Along with filing IRS Form 1098, the Agent agrees that s/he will be responsible for filing all applicable tax forms, including, but not limited to, Form 1099 C.
- 7. Compliance with Law.** The Agent will comply with all applicable federal, state, and local laws, rules, ordinances and regulations. This agreement will be governed by the laws of the state where the property is located.

Continued on next page.

3. Loan Servicing Agreement

This Servicing Agreement is entered into as of _____ day of _____, _____. This agreement pertains to the loan between the Account Owner's retirement account with PENSICO and Borrower in the amount of \$_____ dated ____/____/_____.

BORROWER INFORMATION (print)

Borrower / Entity Name (first, mi, last)

Mailing Address

City

State

Postal Code

AGENT INFORMATION (print) — Cannot be client, client's spouse, disqualified person, or affiliate of the borrower.

Agent Name (first, mi, last)

Company Name (if applicable)

Email Address

Primary Phone

Mailing Address

City

State

Postal Code

\$

Compensation of Agent

ACCOUNT OWNER INFORMATION (print)

Account Owner Name (first, mi, last)

Email Address

Mailing Address

Primary Phone

City

State

Postal Code


4. Safekeeping of Original Note and Security Instrument (must be either PENSICO or Loan Servicing Agent)

The original executed promissory note and security instrument (e.g., deed of trust, mortgage, etc.) will be (select one):


Sent to PENSICO for safekeeping within 120 days

Sent to the Loan Servicing Agent. The Loan Servicing Agent will be responsible for producing the original documents when requested for any reason, e.g. sale, payoff, etc. **PENSICO must receive a copy of the executed/recorded documents within 120 days, or as soon as the recorded documents are available.**

The Agent and the Account Owner must sign and date this section.



Agent Signature



Account Owner Signature

Date

Date

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Upload forms to:
www.pensco.com/upload
Email: realestate@pensco.com
Fax: 303-614-7036

Send mail to:
PENSICO
P.O. Box 173859
Denver, CO 80217-3859

For express deliveries:
PENSICO
1560 Broadway, Suite 400
Denver, CO 80202-3331

Questions?
Call 800-962-4238

Acknowledgments & Disclosures

GENERAL INFORMATION

Account Owners may loan funds from their Plan by instructing PENSCO Trust Company (PENSCO) to acquire promissory notes secured by deeds of trust or mortgages provided that certain administrative requirements are satisfied. (For convenience, promissory notes secured by both deeds of trust and mortgages are referred to in these documents as "Notes;" The Account Owner may also be referred to as "You and Your" and PENSCO may be referred to as "We, Our Custodian"). Because all PENSCO retirement plans are self-directed by the Account Owner, PENSCO requires that its responsibilities in connection with these types of investments be strictly limited. It is important for you to understand these limitations fully and to acknowledge and agree to them prior to directing us to acquire a Note on your behalf.

WHAT PENSCO IS NOT RESPONSIBLE FOR

The Account Owner, and not PENSCO, will be responsible for any decision regarding the retention of a Note or any lender action to foreclose on a mortgage. Without limiting the foregoing, we will not be obligated to do any of the following: investigate the financial strength of borrower, or their ability to prepay the obligation; ensure that the mortgage or deed of trust is properly recorded; calculate or monitor the amount of any payments (including principal, interest, insurance premiums, taxes, or other amounts payable under the Note); make demands for payment; send notices of default; take any step to require the borrower to comply with any other terms of the loan documents; obtain a survey of the mortgaged property or a mortgagee's title insurance policy; ensure that hazard and liability insurance has been obtained; inspect the property securing the Note for any reason, including determining the existence of environmental hazards or violations; determine the existence of and impact of any liens, easements, covenants or other matters affecting title to the property securing the Note; have any discussions with the borrower or any other person regarding the mortgaged property; verify the status or validity of the Note, including but not limited to whether or not the collateral property has been lost to foreclosure; take any steps to acquire title to or possession of the mortgaged property or other collateral, or accept title to the mortgaged property or other collateral, whether by deed in lieu of foreclosure or otherwise.

LOAN SERVICE AGENT/SERVICING AGREEMENT REQUIREMENT

PENSCO requires that the Account Owner appoint a servicing agent to administer the Note. Enclosed with the Deed of Trust/Mortgage/Secured Note Investment Authorization Form is a Loan Servicing Agreement ("Servicing Agreement") that satisfies our administrative needs with regard to the Note being held as an investment in the Plan. The Servicing Agreement sets forth the responsibilities of the servicing agent. We neither recommend the use of this Servicing Agreement nor require that this form be used. An Account Owner may submit his or her own form of Servicing Agreement, which we will review for purposes of determining that it adequately limits the role and responsibilities of PENSCO.

Account Owner acknowledges that we are under no duty to investigate or inquire about the qualifications of the servicing agent he or she may select, nor is it required to monitor the actions of the servicing agent. Account Owner further agrees that we will have no liability for any losses occurring because of actions or negligence of the servicing agent. We will not be responsible for any errors and omissions in the Servicing Agreement or for any actions taken by the servicing agent.

If this investment requires payment of any kind, the Account Owner will provide written instructions.

Under the provisions of the PENSCO plan documents, each Account Owner determines how investments in the Account Owner's account

will be made. We do not provide investment advice or recommendations with respect to the investment of assets of the Plan in Notes generally, or in any loan in particular. Although PENSCO has no such investment responsibility, it has established minimum administrative standards for Notes. These standards are intended to minimize administrative difficulties for us and in no way constitute representations by us that Notes meeting these requirements are suitable for investment by the Account Owner's Plan. Thus, by instructing PENSCO to acquire a Note on his/her behalf, the Account Owner represents that each of the following statements is true: (a) The Note is a first or second lien; (b) The property securing the Note is real property (e.g., a primary residence, vacation home, town home, condominium, or apartment complex), personal property (e.g., a mobile home, car, equipment or aircraft); (c) Any existing loan secured by the property is not in default; (d) The property securing the Note does not contain any hazardous waste or other materials that would constitute a violation of, or cause the application of, any environmental law or regulation; (e) for mortgages/deeds of trust Title insurance insuring the Plan's Note will be obtained for the benefit of PENSCO (as custodian); (f) The investment is not a "party in interest" transaction and therefore does not constitute a prohibited transaction as defined in Section 4975 of the Internal Revenue Code; and (g) The interest payable under the note is not usurious under applicable state law.

IMPORTANT: By signing the Deed of Trust/Mortgage/Secured Note Investment Authorization Form and Important Disclosures and Acknowledgements, the Account Owner represents that each of the above requirements has been satisfied. PENSCO has no responsibility to verify that any of the above requirements has been satisfied. Even if all of the above requirements have been satisfied, we may decide for administrative feasibility purposes not to allow the Plan to purchase the Note. Satisfaction of the above requirements does not constitute an endorsement or recommendation by PENSCO of an investment in the Note.

RISK FACTORS

When purchasing a Note secured by property, there are inherent risks. While PENSCO points out some risks, it has no duty to do so, and this information is not to be considered all inclusive. Each Account Owner, and not PENSCO, is solely responsible for identifying the risks associated with purchasing and holding the Note in his or her retirement plan. As such, we strongly recommend that you consult with legal counsel and/or an investment professional who is familiar with the risks of purchasing Notes secured by property in a retirement plan. By signing the Deed of Trust/Mortgage/Secured Note Investment Authorization Form and instructing us to purchase the Note as Custodian of your retirement plan, you represent that you have consulted with such a professional, or have waived that right to do so.

In the event of a foreclosure or similar action, you represent that we may hold title to the collateral property for the benefit of your retirement plan. In such an event, you also represent that you understand there may be liability above and beyond the amount of the investment (example: ad valorem property taxes, foreclosure costs or liability arising under Environment Laws). It is also possible that you may lose your entire investment and collateral interest to a senior lien-holder.

Losses may also occur or be caused by the presence of, on or about the property securing the Note, any hazardous substances, or by any person or entity complying or failing to comply with any Environmental Law. The term "Environmental Law" means any law, rule, regulation, or ordinance relating to protection of the environment or human health. The term "Hazardous Substance" means any substance defined as hazardous or toxic, or otherwise regulated by any Environmental Law.

Losses may also occur as a result of an act of fraud or negligence.