

Investments in alternative investment classes present unique risks and benefits. Investors must understand the following items prior to investing in Delaware Statutory Trust, Real Estate Investment Trust, Real Estate Limited Partnership and Real Estate Limited Liability Company – Collectively Referred to as Direct Participation Programs (DPPs).

This acknowledgment is intended to clearly communicate to potential investors certain issues and risks specific to **DPPs** (Direct Participation Programs). Generally speaking, these investments involve Delaware Statutory Trusts (**DSTs**), Limited Liability Company (**LLC**) units, Limited Partnership (**LP**) units, Non-Traded Real Estate Investment Trusts (**NT-REIT**) shares, and other non-conventional real estate investments. Although these products may have potentially attractive qualities, it is crucial that investors understand the risks of these DPP investments.

Please write in the name of the investment(s) you are participating in:

I, _____ (Print Name) **HEREBY ACKNOWLEDGE AND UNDERSTAND THAT**
(INITIAL EACH POINT):

_____ I have received, read and understand the Prospectus or Private Placement Memorandum (PPM) for this investment, paying special attention to the Risks section.

_____ I understand that this investment may carry more risk than a traditional investment and that I may lose some or all of my investment dollars. I have read and understand the Risk Factors section of the Prospectus or PPM and am willing to accept those risks.

_____ I understand that this is a long-term investment with an indefinite holding period and little or no opportunity for me to sell it or withdraw funds (**ILLIQUID**). There is currently no market for this investment and there is no assurance that a market will ever develop. If I wish to sell my investment, and if a market develops, the price I may be able to get may be far less than I originally paid. DPPs are subject to the usual and customary risks of most real estate investments.

_____ I understand that, like most real estate investments, DPPs are considered long-term (buy and hold) investments with an indefinite holding period and little or no opportunity for me to sell it or withdraw funds. There is currently no efficient market if I wish to sell my investment, and if a market develops, the price I may be able to get may be far less than I originally paid.

_____ I understand that DPP investments typically are held for five to 10 years and may even be held for longer.

_____ Investors have no right to participate in the day-to-day management of the DPPs. I have to rely on third parties for management of the property.

_____ I understand that this is a long-term investment and that an investment of this nature fits into my overall financial plan, estate plan, goals, and objectives and that I have an adequate and sufficient amount of liquidity with my other assets to meet any foreseeable or unforeseeable expenses and/or liabilities.

_____ DPPs projected cash flows, projected returns, and potential appreciations are not guaranteed and may be lower than anticipated.

_____ I understand that DPPs may carry more risk than traditional investments and that investors may lose some or all of their investment.

_____ I understand that DPP investments have no guarantees and that I may potentially lose my entire principal amount invested.

_____ Potential investors are encouraged to consult with their attorney or business or tax advisors prior to investing in DPPs.

_____ I understand that DPP investments are generally illiquid and that sales may not be possible at all.

_____ The sale of DPPs, if possible, may be at a significant discount.

_____ Certain risks may exist in using leverage in DPPs. Using leverage may increase risk and volatility in DPPs and real estate investments.

_____ I am sophisticated in financial and business affairs and am able to evaluate the risks and rewards of DPPs.

Please write in a brief description of your experience with real estate, financial and business affairs:

_____ No assurance can be given that investors will satisfy their investment objective(s). No assurance can be given that the investors will realize a substantial return (if any) on their investment or that they will not lose their entire investment in the DPP or property.

_____ I understand that DPP investments are speculative and require a high level of investor due diligence and research.

_____ There are risks associated with investing in DPPs including, but not limited to, loss of investment principal, declining market values, tenant vacancies and illiquidity.

I understand that similar to all other real estate, this DPP investment may require me to contribute additional capital as needed and described in the PPM.

As an owner of a DPP, I may be required to make additional contributions to pay for my pro rata portion of expenses or mortgage payments, which are not covered from operation of the property. If other owners fail to pay their share, I might be required to pay more than my share in order to avoid foreclosure or other adverse consequences as may be described in the PPM.

I understand that, as with other forms of real property ownership, I have an unlimited liability as an owner of the DPP and property. While insurance coverage may be obtained against liability for property damage and personal injury at the expense of the owners, I will be at risk to the extent there is no insurance coverage for any reason as may be described in the PPM.

I understand that real estate related accounting, tax, and legal matters are very complex and that each investor's situation may vary and as such a prospective investor should always consult with his/her tax, accountant, and legal advisors before making any investment.

Prospective investors may be affected in different ways by state and local taxes, such as income taxes, franchise taxes, privilege and use taxes, and other taxes and fees. Therefore, prospective investors are urged and expected to consult with their tax, accountant, and legal advisors regarding the state and local tax consequences resulting to such investor from a potential purchase of DPPs.

Prospective investors may be required to file state income tax returns in the state(s) that the DPP owns properties in. Prospective investors are encouraged to speak with their tax, accountant, and legal advisors regarding out of state income tax returns and filings and the associated cost with such tax return and filing preparation before purchasing DPPs.

I understand that neither my Registered Representative nor the Real Estate Sponsor Company of this investment are able to provide me with accounting, tax or legal advice and that I am not relying on either of the above mentioned parties for such advice.

Please write in the name of your CPA and your Attorney:

I certify that I have read the above risks and have discussed them with my Registered Representative. I am comfortable with the risks involved and am completely aware of the potential consequences of this investment.

I certify that I have received a copy of the Private Placement Memorandum (PPM) or a copy of the Prospectus for this investment and that I have read it, paying careful attention to the Risks section.

If this investment is subject to an IRC Section 721 Exchange/REIT conversion I understand that I will no longer be able to perform an IRC Section 1031 exchange upon the sale of my REIT shares/OP units and that I will likely have a taxable event.

_____ If this investment is subject to an IRC Section 721 Exchange/REIT conversion I have consulted with my tax and legal advisors as to the potential tax implications/risks of this investment and I am comfortable with these tax implications/risks.

_____ I understand that the diversification afforded to me by using the IRC Section 721 Exchange/REIT conversion will not guarantee against loss of principal or loss of value.

_____ I understand that the diversification afforded to me by using DST properties for my 1031 exchange and/or cash investments will not guarantee against loss of principal or loss of value.

_____ I understand that real-estate markets can be and have been cyclical in nature. These cyclical trends cannot be predicted nor timed and can have an adverse impact on my investment. At the point in time that a DST is liquidated, market conditions may be such that the return of principal is less than the amount originally invested.

_____ Neither Colorado Financial Service Corporation, its affiliates, its registered representatives nor its agents give assurance or opinion as to whether such investor's acquisition of property qualifies as an IRC Section 1031 Exchange. No assurance or opinion is being provided to the effect that any individual prospective investor's transaction will qualify under IRC Section 1031. Such examinations or analyses are the sole responsibility of each prospective investor, who must consult with his or her own independent legal, tax, CPA, accounting and financial advisors prior to purchasing a DPP.

_____ I understand that my Registered Representative has access to other types of investments, such as mutual funds, that are generally liquid as well as generally have lower fees/costs associated with them than DPPs such as this, however I feel that this DPP makes more sense for my situation.

Please write in how will you be holding title to these investments (Trust, LLC, etc)?

_____ Assuming that this investment is a 1031 exchange, the approximate dollar amount of tax (total of state capital gains tax, federal capital gains tax, depreciation recapture tax and Medicare surtax) I hope to defer if my 1031 exchange if successful is:

_____ \$

I understand the following statements regarding §1031 Exchanges:

_____ Illiquidity – I may not be able to withdraw my money out of this investment at any time. Sales may not be possible at all.

_____ Potential loss of investment principal – I may lose all of my principal.

_____ Declining market values – There is no assurance that I will receive a return of all of my principal investment.

_____ Vacancy – There is no assurance that vacancy rates will be achieved.

_____ Past performance is not a guarantee of future results.

_____ Lack of control – I have no control over day-to-day operations.

_____ Lack of diversification – my assets are in one investment.

_____ Adverse tax consequences - §1031 of the IRC code may be repealed at anytime.

INVESTOR'S ACKNOWLEDGEMENT

Customer's Name (please print) Customer's Signature Date

Customer's Name (please print) Customer's Signature Date

Representative's Name (please print) Registered Representative's Signature Date