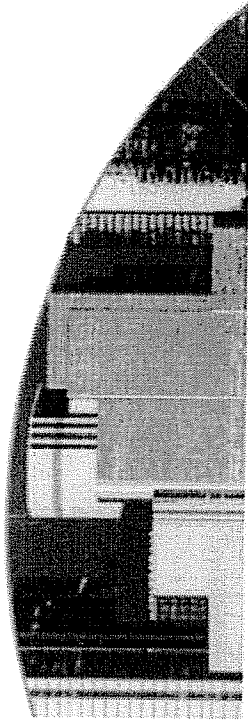


COMPLIMENTS OF:

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THE POWER OF EXCHANGE

Valuable Information for Real Estate Professionals and their Clients

STAGES OF A §1031 TAX DEFERRED EXCHANGE

"FOLLOW THESE SIMPLE STEPS FOR A SUCCESSFUL TRANSACTION"

STEP #1 - SALE OF THE RELINQUISHED PROPERTY

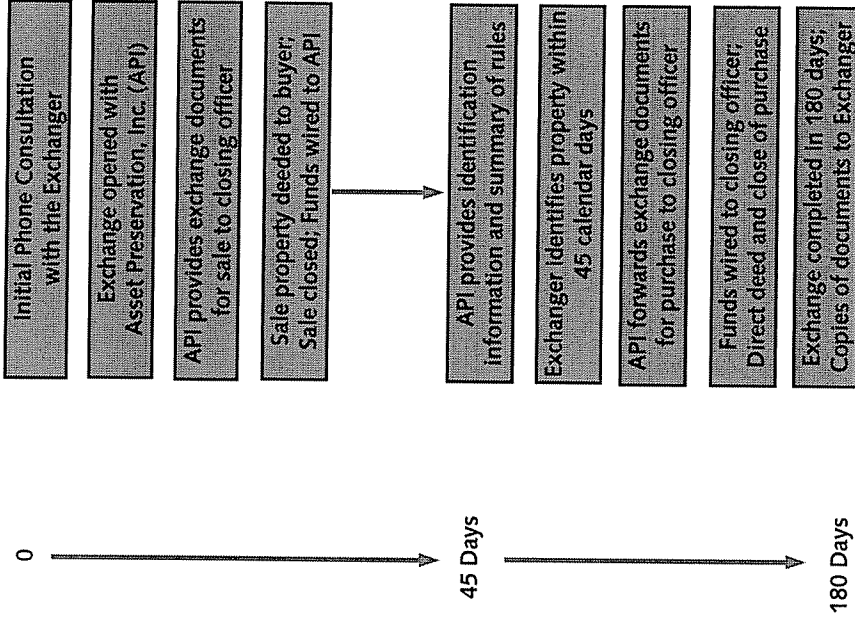
1. (a) Phone consultation with Asset Preservation, Inc. (API)
1. (b) Exchange opened with API.
1. (c) Pursuant to the Exchange Agreement, an Assignment is executed prior to closing and API assumes the Exchanger's Purchase and Sale Contract.
1. (d) API instructs the closing officer to directly deed the property from the Exchanger to the buyer.
1. (e) Proceeds are transferred directly to API via wire transfer. API sets up a separate "Qualified Exchange Account" for each Exchanger.

STEP #2 - IDENTIFICATION OF REPLACEMENT PROPERTY

2. (a) API provides Exchanger confirmation of exchange proceeds received; the 45-Day Identification Period and 180-Day Exchange Period; the specific identification requirements; summary of the Identification Rules.
2. (b) Exchanger properly identifies potential replacement properties under either the Three Property Rule, 200% Rule or the 95% Rule.

STEP #3 - PURCHASE OF REPLACEMENT PROPERTY

3. (a) Exchanger has a total of 180 calendar days from the relinquished property closing date, or their tax filing date, whichever is earlier, to acquire "like-kind" replacement properties.
3. (b) Prior to closing on the replacement property, Exchanger assigns the Purchase & Sale Contract to API.
3. (c) After the Assignment is executed, the exchange is complete when API purchases the replacement property with the exchange proceeds and transfers it to the Exchanger by a direct deed from the seller.



ASSET PRESERVATION
INCORPORATED

A National IRC §1031 "Qualified Intermediary"

(800) 282-1031 www.apixchange.com

This information is not intended to replace qualified legal and/or tax advisors. Every taxpayer should review their specific transaction with their own legal and/or tax counsel.
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