

ACKNOWLEDGEMENT  
1031 Exchange Offerings  
Representative Conflict of Interest

\_\_\_\_\_, a registered representative with \_\_\_\_\_ ("Broker-Dealer") has offered to assist me in finding an appropriate Delaware Statutory Trust (DST) interest in real estate to exchange for real property that I presently own. \_\_\_\_\_ has previously provided me with tax advice in connection with the preparation of my past tax returns. Because of this existing relationship, I want \_\_\_\_\_ to act as my tax advisor in connection with the proposed exchange. I understand that he/she will only do so, however, in his/her capacity as an [enrolled agent]. He/she will not provide such advice as a representative of Broker-Dealer. Broker-Dealer does not provide tax advice and does not supervise those of its representatives who are independently licensed to provide tax advice.

I understand that \_\_\_\_\_ will have a conflict of interest in providing me with tax advice because he/she will receive a commission on the exchange of my existing real estate for a tenancy in common interest. This could affect his/her objectivity.

Tax deferred exchanges under Section 1031 are highly technical. I acknowledge that I have been advised by Broker-Dealer that I should not rely upon \_\_\_\_\_ to provide me with tax advice unless I am satisfied that he/she is competent to provide the advice that I need on this subject and that he/she will be able to give me objective advice notwithstanding the conflict of interest. Broker-Dealer does not warrant or represent that either is the case.

I also acknowledge that it is possible that Broker-Dealer's representative will locate potential exchange opportunities which eventually do not take place either at all or within the time periods that exchanges must take place in order to meet the requirements of Section 1031. Closing and purchase of the exchange property may depend upon factors other than my own willingness to participate in the exchange. I therefore understand that there is no guarantee that the exchange offerings that may be presented to me for consideration will necessarily permit me to make a tax deferred exchange.

I understand that if it is crucial for me to find an appropriate exchange property within a limited period of time, I should not rely entirely on Broker-Dealer's efforts or on the efforts of its representatives but I should seek potential exchanges wherever they can be found in order to have a better chance to meet the requirements of Section 1031 within the time

limits set by the law.

I also understand that the IRS has released Revenue Procedure 2002-22 which sets forth advance ruling requirements for 1031 exchanges. I understand that the exchange opportunity that Broker-Dealer finds for me is not expected to be eligible for an advance ruling under that Revenue Procedure. While the Ruling states that its guidelines "are not intended to be substantive rules and are not to be used for audit purposes," failure to meet all or substantially all of the listed requirements may be an indication that there is an increased risk that the exchange will ultimately be disallowed.

Dated:

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Print Name]