

INITIAL ACKNOWLEDGMENT AND DISCLOSURE STATEMENT

1031 EXCHANGES

This Acknowledgment and Disclosure Statement is being provided to the undersigned, _____, in connection with a proposed real estate investment that the undersigned intends to be part of a like-kind exchange under Section 1031 ("Section 1031") of the Internal Revenue Code of 1986, as amended (the "Code"). In connection with such proposed investment, and to induce American Investors Company (the "Broker-Dealer") to transact business with the undersigned, the undersigned hereby acknowledges and agrees to the following:

CLIENT INITIALS

_____ The undersigned intends to identify _____ (the "Property") as one of his/her/its three possible replacement properties in connection with the proposed like-kind exchange.

_____ The undersigned acknowledges that no offer is yet being made with respect to interests in such Property, and no Confidential Private Placement Memorandum or other offering disclosure document has yet been provided by the Broker-Dealer with respect to such offering (a "Memorandum") with respect to any offering (the "Offering") of interests in the Property; and

_____ (i) the Broker-Dealer has not completed its due diligence review of the proposed Offering, and (ii) depending on the outcome of its due diligence investigation or its review of any other terms or conditions in any way related to the Offering (including a review of a Memorandum), the Broker-Dealer may elect not to participate in the Offering, (iii) the Broker-Dealer has no obligation to participate in the Offering, and (iv) the Broker-Dealer has sole discretion as to outcome of its due diligence investigation or otherwise whether to participate in the Offering.

_____ The Broker-Dealer may, in its sole discretion, reject any investment by the undersigned, in the event, among other things, that the Broker-Dealer elects not to participate in the Offering or that the investment is not suitable for the undersigned. The undersigned, upon request, shall promptly return to the Broker-Dealer all materials, including the Memorandum, relating to the Offering.

_____ Given the risk that the undersigned may not be able to participate in the Offering or other offerings presented by the Broker-Dealer, the undersigned should not rely on the Broker-Dealer or the Offering as its sole source of real property to effect a like-kind exchange under Section 1031.

_____ An investment in the Offering is not guaranteed and has significant risks.

_____ The IRS or state tax authority could disallow some or all of the tax benefits of the proposed transaction (including the treatment of this transaction as a Section 1031 tax-free exchange). The undersigned understands there is no assurance that the IRS will conclude that the transaction under the Offering is properly structured to comply with Section 1031. 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.

_____ Entering into a 1031 exchange necessarily means the undersigned will have investment choices that will be limited, illiquid, and lack diversification. Normally, Broker-Dealer would only recommend investments to the undersigned which it believes are suitable taking into consideration the undersigned's other security holdings and financial situation and needs. In this instance, Broker-Dealer will introduce the undersigned to opportunities for real property exchanges exclusively. Therefore, the resulting investment is not expected to be as suitable to the

financial needs and objectives of the undersigned as might otherwise be the case if cash were invested. The undersigned understands and accepts this limitation on the Broker-Dealer's ability to recommend what otherwise might be more suitable investments.

_____ In order to participate in the Offering, the undersigned will be required to represent, among other things, that the undersigned can afford the entire loss of investment and still provide for the undersigned's financial needs.

_____ In order to participate in the Offering, the undersigned will be required, among other things, to consult with competent legal and tax advisers regarding the investment, or otherwise evidence the undersigned's personal qualifications to evaluate the legal and tax implications of this investment.

_____ Neither the Broker-Dealer, nor its representatives, have provided, or will provide, legal or tax advice regarding this investment. The undersigned must rely solely on the undersigned's own advisers for legal and tax advice regarding the investment.

Client Signature

Client Signature

Print Client Name

Print Client Name

Date:

Date: