

CLIENT FUNDS POLICY

September 1, 2009

Approved by the Board of Directors

R2009-03

This policy describes the handling and safeguarding of clients Exchange funds.

PURPOSE

Edmund & Wheeler, Inc. (EWI) is charged with the fiduciary responsibility of accounting for and protecting client funds during the period of the clients exchange, generally less than 180 days in duration. The liquidity and preservation of principal is of utmost importance for the client and the health and welfare of EWI and its reputation as a provider of Section 1031 Exchange services. EWI will always meet the "prudent investor standard" for its clients by exercising reasonable care, skill and caution to fully protect the principal and liquidity of the investment.

POLICY

It is the policy of EWI to establish separate bank accounts for each client's exchange. Only "qualified escrow accounts" as that term is defined under Treasury Regulation 1.1031(k)-1(g)(3) will be used for client funds. At no time, will client funds be co-mingled with other client funds or EWI operating funds. Funds due EWI on behalf of a client will be in every possible case will be received by wire transfer directly to a pre-established bank account bearing the clients taxpayer identification number.

Generally, one financial institution will be utilized for this purpose. The safety and soundness of the institution will be highly scrutinized before the relationship is established and only well-capitalized institutions will be used. In addition, the institution's ability to provide responsive personal service with a high degree of safety is a must. Quarterly financial statements will be on file. In addition, EWI will disclose any arrangement it may have with the depository institution and will at all times remain fully compliant with the requirements set forth in IRC Section 1.468B regarding the payment of interest on deposits for individual clients in excess of two million dollars (\$2,000,000.00).

Upon notice of receipt, the client will be advised of the deposit. Funds will accrue interest daily and be posted daily to the benefit of the client unless other arrangements have been pre-arranged with the client and disclosed in the client's Exchange Agreement

When the account is set up for the client, the client will be provided with log-in credentials at the financial institution where the account is established. These credentials permit the client to have 24X7 access to the account information, balances, transfers, etc.

Any and all transfers of client funds will require the written authorization of the client. Further, funds cannot be transferred from client accounts until such time as a wire transfer is set up and approved by at least two members of the EWI staff. FINAL APPROVAL FOR TRANSFER OF FUNDS, IN ALL CASES AND TO ALL RECIPIENTS CAN ONLY BE ACCOMPLISHED WHEN THE CLIENT APPROVES THESE TRANSFERS ONLINE USING THEIR ONLINE CREDENTIALS (4 passwords). NO FUNDS CAN BE TRANSFERRED FROM THE ACCOUNTS TO ANY PARTY FOR ANY REASON WITHOUT THIS APPROVAL.

A system of dual controls and client final approval and will govern each account. The reason, amount and purpose will be noted in the client file with backup copies of all incoming and outgoing wire transfer documentation maintained in the respective file.

At the conclusion of the exchange, the client will receive an exact copy of the monthly bank statements for their account as further evidence of the handling of the client's funds. Any funds remaining in this account, will be transferred to an account designated by the client, and must be approved by the client using their online credentials. Clients who earned interest during the exchange period will receive a separate check for the interest earned. 1099 interest statements prepared by the financial institution will be forwarded to the client upon receipt at year end.