



UNLIMITED EXCHANGE II, INC.

15 North Main Street

Temple, Texas 76501

Phone: (866) 597-9543

Facsimile: (888) 225-7043

Email: exchangeinfo@unlimitedexchange.com

Our File Number:

EXCHANGE CLOSING INSTRUCTIONS

This transaction requires that UNLIMITED EXCHANGE II, INC., a Texas corporation ("Qualified Intermediary") will act as intermediary to acquire the Relinquished Property on behalf of _____

_____ (the "Exchange Party"), and then sell the Relinquished Property to the buyer, pursuant to a deferred like-kind exchange. Qualified Intermediary will then facilitate the acquisition of Replacement Property identified by the Exchange Party, all in accordance with the terms of Agreement of Exchange of Real Estate dated _____, 20____, between Qualified Intermediary and Exchange Party. All settlement or closing statements and closing instructions should follow this format.

The following instructions are meant to assist you if you have not previously worked through a "deferred like-kind exchange." There are many variations in the preparation of closing statements and the following instructions describe only one form of accounting. If you wish to make alterations to these instructions, please call for clarification. If you will not be handling the entire exchange transaction, please notify our office. Various closers may perform different parts of these instructions.

The Exchange Party has already entered into a contract for the sale of the Relinquished Property. Exchange Party's interest in this contract has been assigned to Qualified Intermediary, and Qualified Intermediary has assumed the rights and interests of Exchange Party. The "Notice to Buyer of Assignment of Contract Pursuant to Exchange Agreement" which is contained in this packet must be signed by all parties, including the buyer of the Relinquished Property.

All closing instructions and closing statements should reflect the Exchange Party's intention to qualify for a tax-deferred exchange. The Exchange Party should never be referred to as the "seller" or "buyer". If you do not have specific exchange documents or closing statements, you may alter whatever documents you normally use to reflect the fact that the Exchange Party is participating in an exchange and has nothing to do with the sale of the Relinquished Property or the purchase of the Replacement Property.

The Exchange Party will receive documents and closing statements showing only the exchange of the Relinquished Property for the Replacement Property. We authorize you to give the Exchange Party copies of all of our documents for his/her records.

Please proceed if you are involved in Step 1 of the exchange, the sale of the Relinquished Property by Qualified Intermediary. If you are not involved in Step 1 of the exchange, but will be involved in the purchase of the Replacement Property by the Qualified Intermediary/Exchange Party, please proceed to Step #2 of the Closing Instructions.

STEP #1: Sale of Relinquished Property

1. Qualified Intermediary will be the seller of the Relinquished Property via a direct deed from Exchange Party to the buyer.

2. The Exchange Party will execute any affidavits to be signed by the seller of the Relinquished Property via instructions contained in this package.
3. Prepare Seller's closing statements and instructions showing UNLIMITED EXCHANGE II, INC., a Texas corporation, as Qualified Intermediary for Exchange Party, as the Seller of the Relinquished Property. Credit Qualified Intermediary the sales price of the Relinquished Property. Debit the amount shown on the bill or statement from UNLIMITED EXCHANGE II, INC. as Qualified Intermediary's Service Fee. The Service Fee amount will be paid to UNLIMITED EXCHANGE II, INC. at the closing. **The Seller's closing statement will be executed by (a) the Qualified Intermediary, in its capacity as intermediary for Exchange Party, and (b) the Exchange Party, as "Read and Approved".**
4. Debit Qualified Intermediary the amount of any bill or statement from the law firm of Baird, Crews, Schiller & Whitaker, P.C. ("Law Firm") as an additional debit item for legal services rendered to Exchange Party in this transaction.
5. Credit and/or debit Qualified Intermediary the amount of any other items reflected in the Contract.
6. The Exchange Party will need to "read and approve" all Seller's instructions and the closing statement signed by Qualified Intermediary.
7. The Exchange Party and, as applicable, Buyer, will need to execute all 1031 documents that are included with this packet (with the exception of the "Identification of Replacement Property" and the "Draw Request" - see paragraph 9 below.)
8. All of the seller's net sales proceeds derived from the sale of the Relinquished Property ("Net Sales Proceeds") must be forwarded to the Qualified Intermediary in accordance with these Closing Instructions and Exchange Party cannot have any direct or indirect access, possession or receipt of the Net Sales Proceeds. The Net Sales Proceeds should be delivered directly to Qualified Intermediary by cashier's check, payable to UNLIMITED EXCHANGE II, INC., or by wire transfer according to the wiring instructions that are a part of this packet.
9. Provide Exchange Party with a copy of all documents executed in connection with the closing, and specifically copies of all documents executed in connection with the 1031 exchange. **In addition, as part of the 1031 document packet, you have received (a) a summary letter addressed to the Exchange Party, (b) an "Identification of Replacement Property", and (c) a "Draw Request", which must be provided to the Exchange Party for its future use.**

Deeding

We will prepare, or if arrangements are made, you will have prepared, a direct deed from Exchange Party to the buyer. This deed will be recorded at the closing.

Exchange Party has sold the Relinquished Property. All costs and expenses for the conveyance of the Relinquished Property must be charged against the Exchange Party.

After Qualified Intermediary has sold the Relinquished Property, the following items must be delivered or mailed to the office of the Qualified Intermediary, with copies delivered or mailed to our office at the conclusion of the Closing:

- (X) Separate check or wire for the Net Sales Proceeds.
- (X) Separate check for the Service Fee made payable to UNLIMITED EXCHANGE II, INC., a Texas corporation
- (X) Separate check for any attorney fees made payable to Law Firm.
- (X) Signed original of "Agreement of Exchange of Real Estate."
- (X) Signed original Assignment
- (X) Signed original Notice of Buyer of the Assignment
- (X) Signed original Instruction to Direct Deed.
- (X) Signed original Instruction to Execute Affidavits.
- (X) Signed copy of all Exchange, Seller and Buyer Instructions.
- (X) Signed copy of final closing statement for the sale.

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Thank you for your assistance. If you have any questions, please feel free to call us at your earliest opportunity.

UNLIMITED EXCHANGE II, INC.

ATTN: Linda Chaison

Phone Number: (866) 597-9543

Facsimile Number: (888) 225-7043

Email: linda@unlimitedexchange.com

Alternate Phone Number: (254) 771-1346

Alternate Facsimile Number: (254) 774-7899

BAIRD, CREWS, SCHILLER & WHITAKER, P.C.

ATTN: Rene' Murray

Phone Number: (866) 597-9543

Facsimile Number: (888) 225-7043

Email: rene@unlimitedexchange.com

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Alternate Phone Number: (254) 774-8333, ext. 212

Alternate Facsimile Number: (254) 774-9353

Please proceed if you are involved in Step #2 of the exchange, the purchase of the Replacement Property by Qualified Intermediary/Exchange Party.

STEP #2: Purchase of Replacement Property by Qualified Intermediary/Exchange Party

1. Qualified Intermediary will be the buyer of the Replacement Property via a direct deed from the Seller to Exchange Party.
2. Prepare standard Buyer's instructions, closing statement, and documents as you would for any sale, showing UNLIMITED EXCHANGE II, INC., a Texas corporation, as Qualified Intermediary for Exchange Party, as the Buyer of the Replacement Property. UNLIMITED EXCHANGE II, INC., a Texas corporation ("Qualified Intermediary"), will be the Buyer via a direct deed from seller to Exchange Party. Debit Qualified Intermediary for the sales price and credit and/or debit Qualified Intermediary for those items set out in the Contract. **The Buyer's closing statement will be executed by (a) the Qualified Intermediary, in its capacity as intermediary for Exchange Party, and (b) the Exchange Party, as "Read and Approved".**
3. Furnish Qualified Intermediary with a copy of the closing statement, via facsimile or email, 48 hours prior to closing for review by the Qualified Intermediary.
4. Furnish Qualified Intermediary with wiring instructions so the that Net Purchase Proceeds can be remitted to the Closing Agent.
5. The Exchange Party will need to "read and approve" all of Buyer's instructions and the closing statement signed by Qualified Intermediary.
6. The Exchange Party and, as applicable, Seller, will need to execute all 1031 documents that are included with this packet (with the exception of the "Draw Request" - see paragraph 8 below)
7. The deed and any affidavits should be prepared directly from the seller to Exchange Party.
8. **All funds will be disbursed by Qualified Intermediary based upon the Buyer's closing statement that has been approved by Qualified Intermediary and Exchange Party, as evidenced by Exchange Party's signature on the Buyer's closing statement. Exchange Party can request that Qualified Intermediary disburse funds prior to the actual execution of the Buyer's closing statement by completing, signing and returning to Qualified Intermediary a Draw Request that is included in your package.**

The Exchange is now complete

The Exchange Party is now the owner of the Replacement Property. All costs and expenses for the purchase of the Replacement Property must be charged against the Exchange Party.

If you handled Step #2, above, the following items must be delivered or mailed to the office of the Qualified Intermediary, with copies delivered or mailed to our office, at the completion of the Closing:

- (X) Separate check for fees due and payable to UNLIMITED EXCHANGE II, INC., a Texas corporation, as shown on a bill or statement, if any.
- (X) Separate check for attorney fees made payable to Law Firm, if any.
- (X) Signed original Assignment
- (X) Signed original Notice of Seller of the Assignment
- (X) Signed original Instruction to Direct Deed.
- (X) Signed original Instruction to Execute Affidavits.
- (X) Signed copy of all Exchange, Seller and Buyer Instructions.
- (X) Signed copy of final closing statement for the purchase.

Thank you for your assistance. If you have any questions, please feel free to call us at your earliest opportunity.

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