

SCOPE OF SERVICES



Preliminary Support, Consulting & Training

A significant part of our practice is in assisting professionals and individuals determine whether a Section 1031 Exchange is the right strategy. By providing upfront support, we become involved early enough to ensure that the vehicle is appropriate for the situation.

Preparation of documents

In order to align the proposed sale of the client's property to exchange; these are reviewed and approved by the lawyer and accountant prior to execution by the client. At that time, Edmund

& Wheeler acquires the standing of an assignee of the client/seller in the matter.

Attendance at the closing & Closing Paperwork

Edmund & Wheeler, Inc. covers the entire US. As such, it is impossible for us to attend most closings personally. However, if requested and by arrangement, we would be pleased to attend any closing personally.

Because overlooked details have the potential of derailing the client's intended tax benefits, we insist on seeing and approving the relevant documents prior to passing of papers.

Banking and safeguarding the funds

One of the specific requirements of the statute and the regulations is that the intermediary be "Qualified", in that it has done no business (other than Section 1031 exchanges) with the client in the past 2 years and is otherwise "unrelated" to the client. It is possible for the client to find their own intermediary such as a trusted friend, but we would submit that such people are not also skilled in the practice of exchanges, meaning that their use makes for a higher likelihood of mistake.



Our firm uses a money center bank as a depository, and in all cases the funds are held under the client's name and social security number. In addition, our clients have full online access to their accounts, and must approve ANY and ALL disbursements of funds. We call this our "Exchange Security Program".

Receiving notices during the exchange.

There is a critical deadline inside the time window for the client to receive replacement property and that is the 45th calendar day: it is by midnight of this day that the client must deliver to the

Intermediary a list of Replacement Property choices (generally 3). The client must then settle on something on the list, with no substitutions. The remaining time period (60 to 135 days) is used to obtain financing, search titles, and close. As of July, 1989, the Replacement Property choices must be confined to the United States.





Delivering funds

One of our duties as the Qualified Intermediary is to deliver funds to the sellers of the replacement property, both for deposits and for the final settlement. Typically, unless the client wishes us to attend the second closing, the funds are wired to the Settlement Agent or Seller's attorney after our review and approval of the closing statements.

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Conforming documents, accounting and record keeping

The Qualified Intermediary serves the function of overall supervisor of the exchange. For example many clients direct the proceeds of the first transfer into one or more properties, some or all of which are out of state. This leads to a situation with multiple parties (the property Sellers, their brokers, lawyers, possibly bankers) involved. From the client's perspective, it is important to have every step of the exchange handled by one knowledgeable intermediary. To close out the exchange, a full accounting is made. The client's complete file is retained should it ever be needed.

Fees

The elements of expense in an exchange are:

- The complexity of the transaction
- The number of parties involved
- If fractional or whole interests are to be transferred or acquired
- Whether the property to be sold is currently under an agreement of sale
- The amount we are expected to be responsible for and for how long
- The degree of haste or urgency of the situation
- Other transaction specific factors

Edmund & Wheeler fees are all inclusive, and include support before, during and after the exchange. Our fees are quoted at the time of the engagement.

Options

There are many options when considering an exchange. We have completed thousands of successful exchanges, and are well-versed in the ways this tool can be used. Our Website www.section1031.com provides real-life examples of many of the different types of Exchanges we've accomplished.

For More Information

Please contact us should you have any questions surrounding our services, or visit us on the web at www.section1031.com

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