

STAGES OF A 1031 TAX DEFERRED EXCHANGE

"FOLLOW THESE SIMPLE STEPS FOR A SUCCESSFUL TRANSACTION"



Compliments of

STEP #1 - SALE OF THE RELINQUISHED PROPERTY

- (a) Phone consultation with Asset Preservation, Inc. (API)
- (b) Exchange opened with API.
- (c) Pursuant to the Exchange Agreement, an Assignment is executed prior to closing and API assumes the Exchanger's Purchase and Sale Contract.
- (d) API instructs the closing officer to directly deed the property from the Exchanger to the buyer.
- (e) Proceeds are transferred directly to API via wire transfer. API sets up a separate "Qualified Exchange Account" for each Exchanger.

STEP #2 - IDENTIFICATION OF REPLACEMENT PROPERTY

- (a) API provides Exchanger confirmation of exchange proceeds received; the 45-Day Identification Period and 180-Day Exchange Period; the specific identification requirements; summary of the Identification Rules.
- (b) Exchanger properly identifies potential replacement properties under either the Three Property Rule, 200% Rule or the 95% Rule.

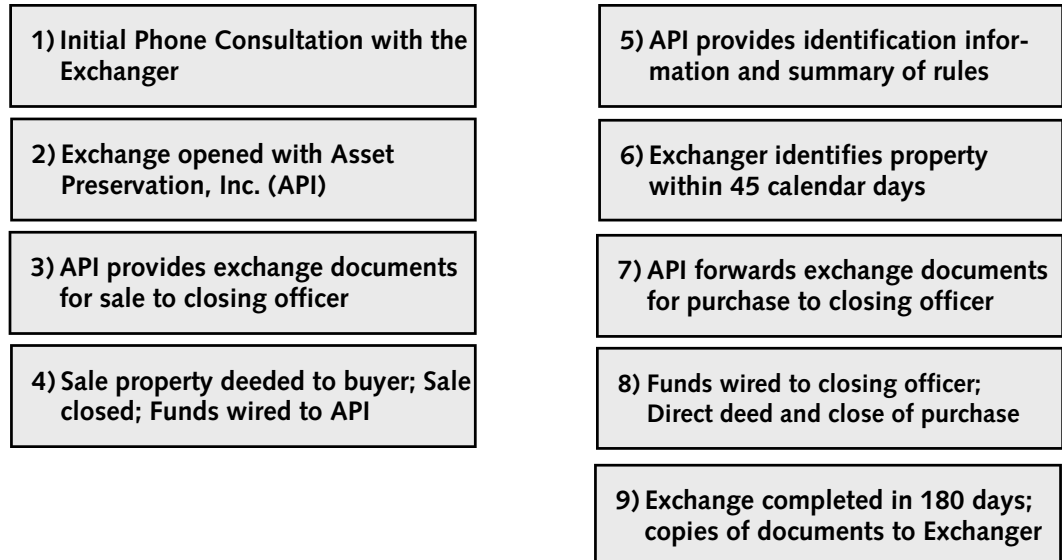
STEP #3 - PURCHASE OF REPLACEMENT PROPERTY

- (a) Exchanger has a total of 180 calendar days from the relinquished property closing date, or their tax filing date, whichever is earlier, to acquire "like-kind" replacement properties.
- (b) Prior to closing on the replacement property, Exchanger assigns the Purchase & Sale Contract to API.
- (c) After the Assignment is executed, the exchange is complete when API purchases the replacement property with the exchange proceeds and transfers it to the Exchanger by a direct deed from the seller.



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Template # 14



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