

45-Day Identification Form For Use in a Deferred §1031 Improvement Exchange

The Section §1031 45-day identification requirements can be satisfied by identifying one or more parcels of improved or unimproved real property as potential Replacement Property for your exchange on the following identification form, and returning the completed and signed form to Exchange Strategies Corporation (sometimes referred to herein as the "Accommodator"). The Taxpayer must then acquire one or more of those properties during the period ending 180 days after the disposition of the Relinquished Property in order to complete the exchange. The Taxpayer does not need to acquire all the properties identified.

There is no need to make a separate identification if all the applicable Replacement Property is acquired prior to the 45th day following the sale of the Relinquished Property.

Per the ID requirements described in the Exchange Agreement, it is your responsibility as the taxpayer to make an accurate identification in writing in accordance with the statutory requirements. You may deliver the identification via US Mail, overnight courier, fax or email no later than midnight on the 45th day of the identification period. You may deliver the identification to a third-party other than Exchange Strategies Corporation (i.e., a broker or attorney) but you should still notify the Accommodator immediately thereafter.

For exchanges where improvements are being made to the Replacement Property, you must identify both the land or property being improved and describe the improvements to be made with as much specificity as possible. You may identify the proposed improvements on a separate sheet which can be incorporated by reference into this form. The description of the property being improved can be either an unambiguous street address or a legal description. The description of the improvements to be made should include as much descriptive detail as is reasonably practicable at the time the identification is made. It is not necessary for the improvements to be completed at the time ownership of them is transferred to you provided that the improvements (such as a partially constructed building) are considered real property at that time. Treasury Regulation §1.1031(a)-3 defines "real property" for 1031 purposes.

Any of the following identification rules may be used to make your identification:

The Three-Property Rule: up to 3 properties with any value can be identified and any or all of them can be acquired as Replacement Property in order to complete the exchange. A fillable form for identifying with the Three-Property Rule is on the third page of this document.

The 200% Rule: any number of properties can be identified and acquired before the 180th day as long as their aggregate FMV on the 45th day of the exchange period does not exceed 200% of the sale price of the Relinquished Property. A fillable form for identifying with the 200% Rule is on the fourth page of this document.

The 95% Rule: any number of properties can be identified and acquired before the 180th day as long as the aggregate Fair Market Value of the properties actually acquired during the exchange equals or exceeds 95% of the aggregate FMV of the all of the properties included in the ID form. A fillable form for identifying with the 95% Rule is on the fifth page of this document. Note that the 95% rule is used only in very specific circumstances which are very unusual.

Two additional factors regarding the improvements need to be taken into account:

- For identification purposes, the Fair Market Value (FMV) of the Replacement Property that is being improved should be the estimated FMV as of the date that ownership is expected to be transferred to the Exchangor by the Accommodator.
- Once the identification has been made, variations in the actual improvements due to usual or typical changes in a construction project will not be a factor. However, if the changes are substantial, the Replacement Property actually received by the Exchangor may not be regarded to be the same as the identified Replacement Property. In this context, there is no real guidance as to what constitutes "substantial" other than an indication that if the actual improvements have a cost that is at least 75% of that of the identified improvements, then they are substantially the same.

45-Day Replacement Property Identification With Improvements

Exchangor: _____

Relinquished Property: _____

Close Date: _____ 45-Day ID Deadline: _____

The 45-day Identification requirements are hereby satisfied using the Three Property Rule:

Property #1: Address or legal description: _____

Description of Improvements: _____

Property #2: Address or legal description: _____

Description of Improvements: _____

Property #3: Address or legal description: _____

Description of Improvements: _____

Submitted by the Exchangor

Receipt Acknowledged

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____

Please return the completed ID form by:

email: worksheets@extra1031.com
FAX: 888-876-3583
US Mail: Exchange Strategies Corporation
900 E. Hamilton Ave., Ste. 100
Campbell, CA 95008

45-Day Replacement Property Identification With Improvements

Exchangor: _____

Relinquished Property: _____

Close Date: _____ 45-Day ID Deadline: _____

The 45-day Identification requirements are hereby satisfied using the 200% Rule:

Property 1: _____ FMV: _____

Improvements: _____

Property 2: _____ FMV: _____

Improvements: _____

Property 3: _____ FMV: _____

Improvements: _____

Property 4: _____ FMV: _____

Improvements: _____

Property 5: _____ FMV: _____

Improvements: _____

TOTAL FMV: _____

Submitted by the Exchangor

Receipt Acknowledged

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____

Please return the completed ID form by:

email: worksheets@extra1031.com
FAX: 888-876-3583
US Mail: Exchange Strategies Corporation
900 E. Hamilton Ave., Ste. 100
Campbell, CA 95008

45-Day Replacement Property Identification With Improvements

Exchangor: _____

Relinquished Property: _____

Close Date: _____ 45-Day ID Deadline: _____

The 45-day Identification requirements are hereby satisfied using the 95% Rule:

Property 1: _____ FMV: _____

Improvements: _____

Property 2: _____ FMV: _____

Improvements: _____

Property 3: _____ FMV: _____

Improvements: _____

Property 4: _____ FMV: _____

Improvements: _____

Property 5: _____ FMV: _____

Improvements: _____

TOTAL FMV: _____

Submitted by the Exchangor

Receipt Acknowledged

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____

Please return the completed ID form by:

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