



ROSWELL ESCROW SERVICES, INC.

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Roswell Escrow 1031 Exchange Information

Important Points

1. Roswell Escrow Services will act as a Qualified Intermediary to facilitate your 1031 Exchange.
2. 180 day total time limit to complete the exchange
3. 45 day identification period to identify potential replacement properties. See attached exhibit A.
4. You should consult with your C.P.A. or tax attorney prior to and at all times during the exchange.
5. Roswell Escrow will strictly adhere to all I.R.S. codes, regulations, and guidelines regarding 1031 exchanges.
6. The sooner replacement properties are identified the better. We will need the legal description of all potential replacement property.
7. One half of the exchange fee will be collected from the exchange proceeds upon receipt of the exchange proceeds by Roswell Escrow. The balance of the exchange fee will be collected at the close of this escrow. Roswell Escrow shall be entitled to an additional fee of \$50.00 plus NM gross receipts tax per each additional check required after the first check issued. Overnight mailing costs, wire transfer fees, bank fees, etc... are the responsibility of the Exchangor.

Getting Started

Below is a list of the information that Roswell Escrow will need for your 1031 Exchange. All the information listed is necessary and missing any part may cause the exchange to be delayed.

1. The Exchangor must sign the 1031 Exchange Escrow Agreement which is the formal agreement between the Exchangor and Roswell Escrow Services, Inc.
2. Complete name(s) of Exchangor, address, Social Security number, Phone number, and email address. The name of the Exchangor must be the listed on both the relinquished property and the replacement property. You cannot sell a property under one name and buy one under a different name in a 1031 exchange!
3. Copy of the contract between Exchangor and the Purchaser of the relinquished property.
4. A complete legal description of the relinquished property.
5. Name(s), address, Social Security number, and phone number for the purchaser(s) of the relinquished property.
6. Name, address, phone number, email, and contact person of the title company handling the closing of the relinquished property.
7. Name, address, phone number, email, and contact person of the title company handling the closing of the replacement property. If multiple title companies are used we will need this information for each company.

Definitions

Below are names or terms that will be used throughout the exchange process that you should become familiar with.

- Exchangor: The Seller of the investment property.
- Relinquished Property: The property the Exchangor is selling.
- Replacement Property: Property purchased to complete the exchange
- Exchange Proceeds: The money placed with the Qualified Intermediary from the sale of the relinquished property for the purchase of the replacement property.

EXHIBIT A

45-Day Rule:

The first timing restriction for a delayed Section 1031 exchange is for the taxpayer to either close on the purchase of the Replacement Property or to identify the potential Replacement Property within 45 days from the date of transfer of the Relinquished Property. The 45-Day Rule is satisfied if Replacement Property is received before 45 days have expired. Otherwise, the identification must be by written document (the identification notice) signed by the taxpayer and hand delivered, mailed, faxed, or otherwise sent to the Intermediary. The identification notice must contain an unambiguous description of the Replacement Property. This includes, in the case of real property, the legal description, street address or a distinguishable name.

The 45-Day Rule for Identification imposes limitations on the number of potential Replacement Properties, which can be identified and received as Replacement Properties. More than one potential Replacement Property can be identified by one of the following three rules:

Three Property Rule:

Any three properties regardless of their market values.

The 200% Rule:

Any number of properties as long as the aggregate fair market value of the replacement properties does not exceed 200% of the aggregate fair market value of all of the exchanged properties as of the initial transfer date.

The 95% Rule:

Any number of replacement properties if the fair market value of the properties actually received by the end of the exchange period is at least 95% of the aggregate fair market value of all the potential replacement properties identified.