

Thank You For Your Interest

We are delighted to enclose material that may assist you in considering or structuring a 1031 tax deferred exchange.

One of the reasons investors think of First American Exchange first is our depth of experience, corporate resources and personalized service. We welcome you to the First American Exchange family and invite you to call us if you have any questions about the information submitted or wish to initiate an exchange.

Please don't hesitate to get us involved as your Qualified Intermediary as soon as possible. We will be able to work with your real estate, financial and legal advisors to assure your transactions are processed in the most effective and satisfying manner.

Your First American Exchange folder contains the following materials:

- **Exchange Calendar**
This will allow you to quickly project your 45-day deadline to identify replacement properties and 180-day transaction conclusion date according to the date the sale is scheduled to close on your relinquished property
- **Professional Service and Fee Schedule**
- **The Exchange Process**
- **Exchange Application**

First American Exchange Company has successfully handled thousands of 1031 Tax Deferred Exchanges. Our staff is experienced in many facets of the real estate industry and looks forward to adding your exchange to our list of accomplishments.

We appreciate your inquiry and invite you to contact our office to discuss how we may advance your investment strategies.

At your service,

full 1031
potential

investment
strategy



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1031 Tax Deferred Exchange Professional Services & Fee Schedule

Three or more replacement properties
-\$200 for each additional property

Please allow at least five business days notice for processing and documentation of any dosing (relinquished or replacement property).

Cancellation Fee

In the event of cancellation of the transaction prior to completion, First American Exchange may charge up to \$1,250 as payment for work performed.

Reverse, Construction and Workout Property Exchanges

Please call for a quotation.

All fees are subject to change without notice.

\$1,250 setup fee includes all of the following processing and services:

- No out-of-pocket costs - the set up fee is collected at close of escrow from the proceeds of the relinquished property sale
- Preparation of exchange documents
- Processing of up to two replacement properties
- \$20 million fidelity bond coverage
- \$20 million Errors & Omission insurance coverage
- Closing summary statement
- Wire Fund transfers
- Bank account service fees
- Monthly exchange maintenance fees
- Overnight mail and delivery charges
- Exchangor will receive no interest on exchange balances less than 1 million or exchanges completed within 45 days. On all other exchanges, the Exchangor will receive a competitive rate of interest as set forth in the Exchange Agreement.

Please call for a quotation and information on transactions not identified in this brief summary of professional services and fees.

full 1031 potential
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The Exchange Process

Please find attached the **Exchange Application** that will provide us with the basic information needed to initiate your exchange. The **exchangor or their representative prepares the Application** before the relinquished property is sold and delivered to First American Exchange by fax or mail.

- **The Suggested Language for the Purchase and Sale Agreements** as shown below is for both phases (relinquished and replacement) of the exchange. If the Purchase and Sale Agreement is complete the language can be attached as an addendum.

SUGGESTED LANGUAGE FOR PURCHASE AND SALE AGREEMENTS

Relinquished Property Contract:

Owner hereunder desires to exchange, for other property of like kind and qualifying use within the meaning of Section 1031 of the Internal Revenue code of 1986, as amended and the Regulations promulgated thereunder, fee title in the property which is the subject of this contract. Owner expressly reserves the right to assign its right, but not its obligations, hereunder to a Qualified Intermediary as provided in IRC Reg. 1.1031 (k)-1(g)(4) on or before the closing date.

Replacement Property Contract:

Purchaser hereunder desires to exchange, for other property of like kind and qualifying use within the meaning of Section 1031 of the Internal Revenue code of 1986, as amended and the Regulations promulgated thereunder, fee title in the property which is the subject of this contract. Purchaser expressly reserves the right to assign its right, but not its obligations, hereunder to a Qualified Intermediary as provided in IRC Reg.1.1031 (k)-1(g)(4) on or before the closing date.

- Once the application arrives First American Exchange prepares the **Exchange Documents** to memorialize the transaction as an exchange. These documents will include the Exchange Agreement and two Assignment Agreements

EXCHANGE DOCUMENTS

1. The **Exchange Agreement** establishes a contractual relationship between the Intermediary and Exchangor. Exhibit "A" is the legal description of the relinquished property. Exhibit "B" is our fee schedule.
2. There are **Two Assignment Agreements**. This Agreement re-establishes contractual relationships between First American Exchange, Buyer and Seller. The contract assigns First American Exchange as Qualified Intermediary and allows for the Intermediary to be substituted as Seller for the Relinquished Phase and Buyer for the Replacement Phase.

- **Delayed Exchange Deadlines-** The process begins when the Relinquished property is sold. The exchange ends in 180 days or the date the exchangor's tax return is due, including extensions, for the year when the relinquished property is transferred. The Identification period is the first 45 days of the exchange.

Property Relinquished-----**45th day**-----**180th day**

**FIRST AMERICAN EXCHANGE COMPANY, LLC
PRUDENTIAL CENTER, 101 HUNTINGTON AVENUE, BOSTON, MA 02199
DIRECT: (617) 772-9249 *TOLL FREE (888) 729-1031 * FAX(617) 247-8613**



First American Exchange Company

EXCHANGE APPLICATION

Please complete the information below and fax to 617-247-8613 or mail to the address below.

EXCHANGOR(S):

EXCHANGOR NAME(S): _____
STREET ADDRESS: _____ CITY: _____ STATE: _____ ZIP: _____
EXCHANGOR(S) SSN/EIN: _____ PHONE: _____ FAX: _____
EMAIL: _____

RELINQUISHED PROPERTY:

STREET ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
COUNTY: _____
CLOSING DATE: _____

RELINQUISHED BUYER(S):

BUYER NAME(S): _____
BUYER ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____

SETTLEMENT AGENT/CLOSING AGENT FOR RELINQUISHED PROPERTY

PERSON PRODUCING HUD/SETTLEMENT STATEMENT IMPORTANT

NAME(S): _____
FIRM: _____
ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
PHONE: _____
FAX: _____
EMAIL: _____

REPLACEMENT PROPERTY:

STREET ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
COUNTY: _____
CLOSING DATE: _____

REPLACEMENT SELLER(S):

SELLER NAME(S): _____
SELLER ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____

SETTLEMENT AGENT/CLOSING AGENT FOR REPLACEMENT PROPERTY

PERSON PRODUCING HUD/SETTLEMENT STATEMENT IMPORTANT

NAME(S): _____
FIRM: _____
ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
PHONE: _____
FAX: _____
EMAIL: _____

- Exchange Documents generally go to the Exchangor's Attorney and closing instructions go to the Settlement Agent (person producing the HUD/Settlement Statement).
- Please note any special requests or circumstances on a separate page and attach it to the application.
- As a general rule, you should be buying and selling in the same name.
- Please contact us if you are co-owner of a property with someone else who is not participating in the exchange.

HOW WERE YOU REFERRED TO FIRST AMERICAN EXCHANGE?

___ ATTORNEY ___ BROKER ___ ACCT/TAX ADVISOR ___ AD/SEMINAR
Name _____ Firm _____
___ Other (describe) _____
Name _____ Firm _____