

Exchanger Checklist

Working with Asset Preservation, Inc.

This checklist is intended to provide a brief overview of the steps involved in an IRC §1031 tax deferred exchange and when Asset Preservation, Inc. (API) should be contacted throughout the process. This checklist does not address all issues involved in an exchange. Please read all of the exchange documents prepared by API. As a Qualified Intermediary, API cannot provide tax or legal advice. Investors should always seek the advice of their tax and/or legal advisors regarding their specific situation.

- REVIEW:** Review the entire transaction with tax and/or legal advisors.
- SALE CONTRACT:** Enter into an “assignable” contract to sell the relinquished property.
Execute contract with the exchanger’s name and/or assigns.
- CONTACT API:** Before closing, contact API to initiate the exchange transaction.
 - A) Call either our National Headquarters (800-282-1031) or Eastern Regional Office (866-394-1031) - or -
 - B) Go to apiexchange.com and click on: Open a New §1031 Exchange - or -
 - C) Complete the order form: Exchange Information Sheet – Sale of Relinquished Property (Phase I)
- EXCHANGE SET-UP:** API will prepare the exchange documents for the relinquished property sale.
 - A) The original documents will be forwarded to the closing officer who will coordinate the signatures.
 - B) Copies of documents are forwarded to the exchanger.
- RELINQUISHED PROPERTY CLOSES:** API is assigned into the transaction as the seller and sale closes.
 - A) Pursuant to the assignment agreement and exchange documents, API instructs the closing officer to directly deed the relinquished property to the buyer.
 - B) Exchange proceeds are transferred directly to API via wire transfer.
- IDENTIFICATION PERIOD:** Both the 45-day identification period and exchange period begin.
Although it is the sole responsibility of the exchanger to meet all identification rules, API will forward confirmation of the exchange proceeds received, the timelines for the 45-day identification period and 180-day (or the date the tax return is due, whichever is earlier) exchange period, the identification requirements and the identification rules.
- PROPERTY IDENTIFIED:** Exchanger properly identifies replacement property by midnight of the 45th day.
 - A) Specific written identification, signed by the taxpayer, is forwarded to API.
 - B) Written identification can also be made to a party involved in the exchange transaction who is not a disqualified person. See the Treasury Regulations for more details on the identification requirements.
- PURCHASE CONTRACT:** Enter into an “assignable” contract to purchase replacement property.
Execute contract with the exchanger’s name and/or assigns.
- CONTACT API:** After signing the replacement property contract, contact API.
 - A) Call your Exchange Counselor at the National Headquarters or Eastern Regional Office - or -
 - B) Go to apiexchange.com: Click on Open a New §1031 Exchange, Purchase of Replacement Property - or -
 - C) Complete the order form, Exchange Information Sheet – Purchase of Replacement Property (Phase II)
- EXCHANGE PAPERWORK DRAWN:** API will prepare the exchange documents for purchase.
 - A) The original documents will be forwarded to the closing officer who will coordinate the signatures.
 - B) Copies of documents are forwarded to the exchanger.
- REPLACEMENT PROPERTY CLOSES:** API is assigned into the transaction and purchase closes.
 - A) Pursuant to the assignment agreement and exchange documents, API instructs the closing officer to directly deed the replacement property from the seller.
 - B) API wire transfers exchange proceeds to the closing officer.
- COMPLETION:** If all exchange funds are used to acquire the replacement property or properties, and all the exchange requirements are met, the exchange is complete.



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