



**IDENTIFICATION LETTER**

Client Name: \_\_\_\_\_

Date: \_\_\_\_\_

Relinquished Property: \_\_\_\_\_

The Treasury Regulations require that identification of replacement properties be made within forty-five (45) days of the close of your relinquished property. Two rules and one exception apply for all identification:

1. The Three Property Rule – Any three properties of any value may be identified
2. The 200% Rule – Any number of properties provided the aggregate value no exceed 200% of the value of the relinquished property.
3. The 95% Exception – Any number of properties of any value, provided that at least 95% of the identified properties are acquired within 180 days.

Please check the box that indicates your method for identification:

The Three Property Rule

The 200% Rule (attach list of four or more properties)

The 95% Exception (attach list of four or more properties)

If identifying with the 200% Rule or the 95% Exception please attach property list. If identifying with the Three Property Rule, list properties below:

	Address, City, State, Zip	UNIT NUMBER IF APPLIC.	% Ownership
Property #1:	_____		
Property #2:	_____		
Property #3:	_____		

I intend to acquire:

One of the above properties,

Two of the above properties or;

All three of the above mentioned properties

_____ Signature of Exchangor	_____ Signature of Accommodator
Date: _____	Date: _____

**THIS FORM MUST BE SUBMITTED NO LATER THAN DAY 45 OF YOUR EXCHANGE  
FAX FORM TO 877-480-1031**

### Important Notes

- It is the sole responsibility of the Exchangor to properly submit identification pursuant to Section 1031 and its regulations. If there are any questions about how to properly identify, please contact us immediately.
- Please confirm the date the relinquished property settled and closed. The date of settlement will be listed on the closing statements provided by the Relinquished Property closing/escrow agent.
- In order to properly calculate the identification deadline, please count the day of settlement of the Relinquished Property as Day 1.
- Identification of Replacement Property must be made no later than 45 days after closing of the Relinquished Property. Again, the date of Settlement of the Relinquished Property should be counted as Day 1.
- The properties identified should be as specific as possible. If there is any doubt whatsoever as to the property identified, the exchange may be disallowed due to improper identification.
- If a property identified is intended to be a partial or co-ownership, please identify the percentage ownership intended to be acquired. In addition, if the property identified is a multi-unit property, please identify the unit number that will be acquired. If unit numbers are not yet assigned to the building, please provide further description of the property to be acquired, for example, "4<sup>th</sup> floor, SE corner unit, 2 bedroom, 2 bath".
- The most common method of identifying property is known as the "3 property rule" which states you may identify any three properties, but not more than three. There is no limit to the value of the properties you identify.
- Alternatively, you may use what is known as the 200% rule, which allows you to identify 4 or more properties as long as the combined value of the properties identified does not exceed two times the value of the property you sold. For example, if you sold property for a net \$500,000, you may identify 4 or more properties provided the combined value of those properties does not exceed \$1M (for example, 5 properties worth \$200,000 each).
- Properly identifying property allows you an inventory of properties to choose from, but you may not complete your exchange by purchasing a property that was not properly identified. Likewise, you need not purchase all of the properties that you identified.
- If you have already acquired a Replacement Property prior to the expiration of the 45 Day identification period, you still must list that property on your identification letter.
- On day 46 of your exchange period, no changes can be made to your identification letter. There are no exceptions to this rule.
- If you fail to acquire any of the properties identified, your exchange will fail and taxes and withholdings may be due. In addition, you may not be entitled to a refund of exchange proceeds until the end of your exchange at the completion of the 180 day exchange period. Please contact us if you have any questions.