

Exchange Services Group





Tax Deferred Exchanges

Commonly referred to as “Starker” Trusts, Like-Kind Exchanges, Tax-Free or Section 1031 Exchanges.

Near North National Exchange acts as a qualified intermediary to facilitate exchanges of like-kind property.



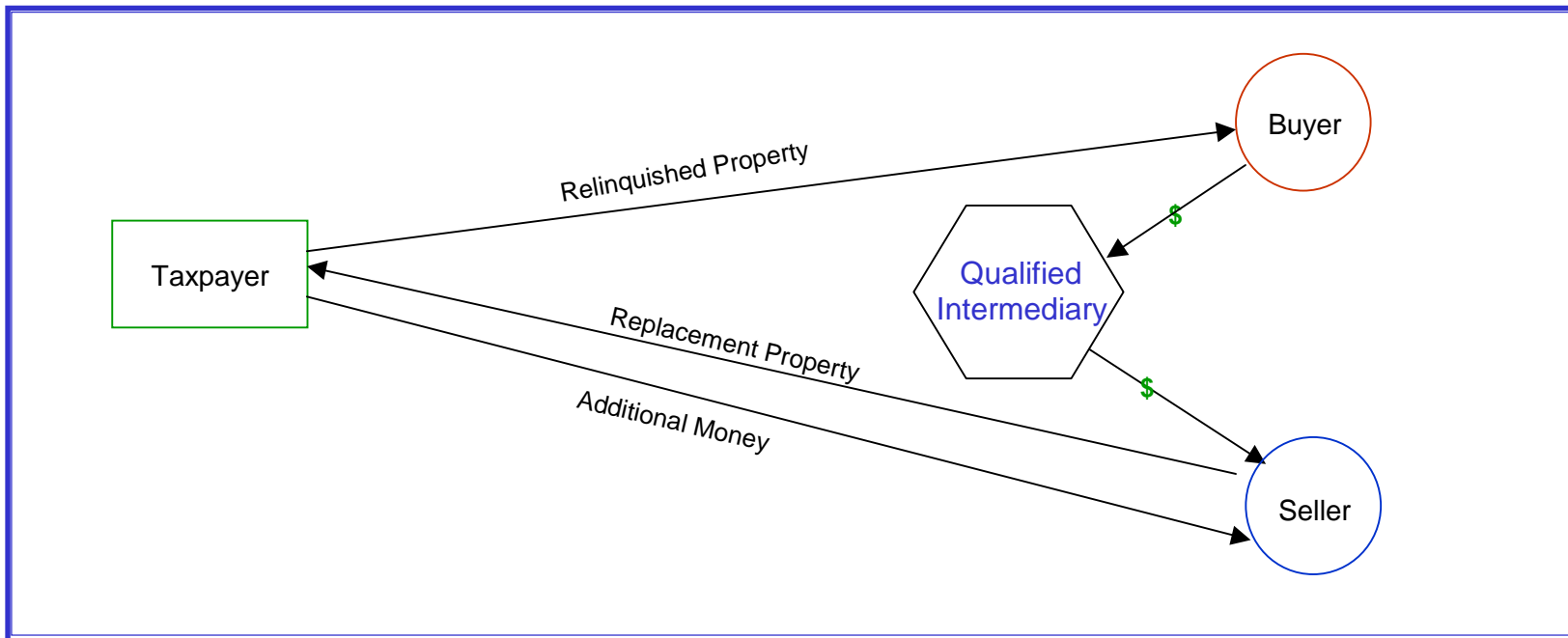
Overview of 1031 Requirements

Taxpayer has **45** days in which to identify replacement property.

Taxpayer has **180** days to complete the acquisition of “substantially all” of the replacement property that has been previously identified.

During the exchange period the taxpayer may have no actual or constructive receipt of the proceeds nor any rights to receive, pledge, borrow or otherwise obtain the benefits of exchange proceeds.

Deferred Exchange Diagram





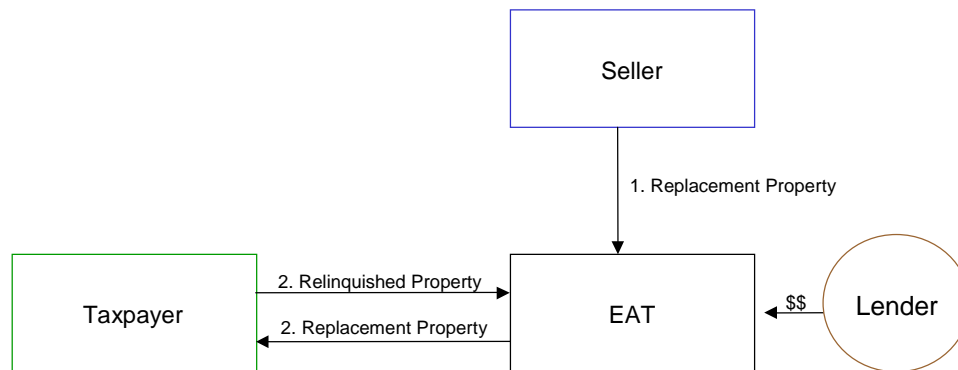
Example of Tax Savings

Individual taxpayer exchanges apartment building worth \$1,000,000 for commercial real estate.

	<i>Sale</i>	<i>Exchange</i>
FMV Apt.	\$1,000,000	\$1,000,000
Basis	<u>400,000</u>	<u>400,000</u>
Gain Recognized	600,000	0
Tax @ 20%	120,000	0
Tax Deferral		\$120,000

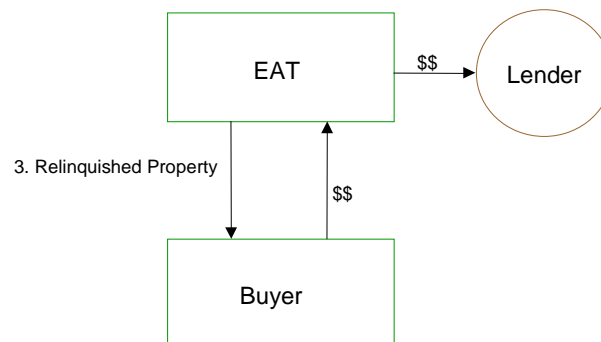
Forward Leg (Exchange First) Transactions

EAT acquires replacement property.



Taxpayer exchanges relinquished property for replacement property.

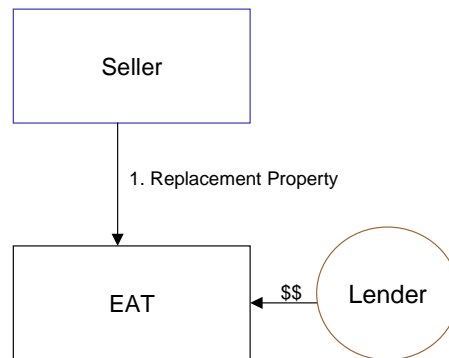
When “Ultimate” buyer of relinquished property is found EAT sells relinquished property and pays off lender.



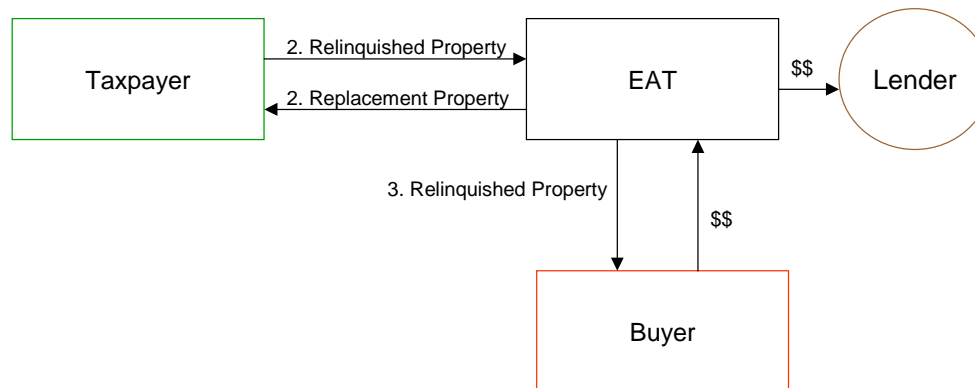
Backward Leg (Exchange Last) Transactions

EAT acquires and “Parks” replacement property.

Taxpayer exchanges relinquished property for replacement property.



EAT transfers relinquished property to buyer.





Contact Exchange Services Group

For a thorough presentation on how Exchange Services Group can assist with your exchange needs please contact John Lamberts at: 312-419-3937.