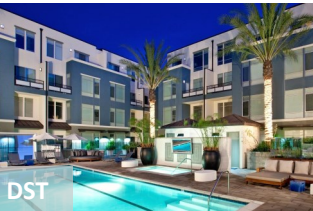
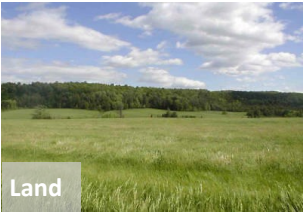


How the 1031 Exchange Works

If you own an investment which you have held for business, trade, or as a rental, then the 1031 Exchange is the perfect tool for you. When it comes time to list and sell your investment, you must anticipate paying the capital gains and depreciation recapture taxes. Thankfully, the IRS offers a valuable exception within the tax code which allows investors to defer those taxes on the sale of their property and roll it into another like-kind investment. Please keep in mind, a 1031 Exchange must be set-up prior to the sale of the relinquished property.

The IRS does not require you to sell and purchase the exact same type of property. Any form of real estate qualifies as "Like-Kind" as long as it is located within the United States. Below are some common examples:

"Like-Kind" Property



Testimonials

"Saved the Day"

The day before closing I was up all night worried that I was too late to take advantage of a 1031 exchange. However, the next morning CR Capital 1031 saved the day when I called at the last minute and they were able to successfully set up my exchange before closing that day. CR Capital 1031's fast turn-around and flexibility made my exchange and capital gains tax deferral possible!

- Cecilia N.

"Thorough Expertise"

The 1031 literature available online and advice from so called experts can not only be confusing, but also erroneous. I was under the impression that I had to take on a new loan equal or greater in value to my previous loan. However, CR Capital 1031 reassured me that the IRS requirement is to replace the value of the debt, which can be done with personal cash. Due to their thorough expertise, I ended up completing a successful exchange without taking on a new mortgage. I will be recommending them to my friends and family members.

- Mel D.



Nationwide Facilitator

ALL 50 STATES

(855) 400-1031



CAPITAL 1031

www.crcapital1031.com

WHY CR CAPITAL 1031?

Expertise

We have extensive knowledge of the tax code and applicable rulings accompanied with a real world understanding of real estate investors needs. Our years of experience in legal matters involving property and tax law in conjunction with the investment arena provides us with a unique ability to meet our clients goals. Navigating the tax code is a demanding task and completing a successful exchange is riddled with pitfalls. CR Capital 1031 is your preferred accommodator in providing expert solutions to your exchange needs.

Our Approach

CR Capital 1031 was formed with the specific philosophy of providing a legally sound approach to tax deferred exchanges. At CR Capital 1031 every exchange is directly handled by a team of professional exchange specialists who hail from legal and real estate backgrounds. We emphasize a conservative approach to the tax code and subsequent rulings. This ensures that our clients exchanges remain within the strictures imposed by the Internal Revenue Service and U.S. Department of the Treasury.

Personalized Service

Our expertise is further coupled with a commitment to high quality customer service. Maintaining good lines of communication with all parties involved throughout the exchange process is a top priority. We likewise take pride in effectively communicating with clients - breaking down the complex legal jargon into understandable terms.



IMPORTANT STEPS & DEADLINES

	Day 0	<p>Prior to Closing on Sale</p> <ul style="list-style-type: none"> • Exchanger executes a contract to sell the relinquished property to the buyer • CR Capital 1031 and exchanger execute an exchange agreement appointing CR Capital 1031 as the Qualified Intermediary
Identification Period	Day 45	<p>Close on Relinquished Property</p> <ul style="list-style-type: none"> • CR Capital 1031 instructs the settlement agent to transfer the deed directly from the seller to the buyer and wire sale proceeds to CR Capital 1031 upon closing of the relinquished property • Once funds are received, CR Capital 1031 notifies exchanger of their 45 day identification period and 180 day exchange deadline date to acquire replacement property • Exchanger completes their identification no later than 11:59pm before midnight of the 45th day <p>End of Identification Period</p> <ul style="list-style-type: none"> • Once replacement property is identified and a new purchase contract is signed, exchanger executes assignment contract with CR Capital 1031 • Prior to the closing of the replacement property CR Capital 1031 wires exchange funds to escrow and instructs the settlement agent to transfer the deed directly from the seller to the exchanger <p>Completing the Exchange</p> <ul style="list-style-type: none"> • Upon completing the exchange, the taxpayer receives an account summary statement and files the 8824 like-kind exchange tax form to the IRS including any applicable state forms
	Day 180	<p>Exchange Deadline</p>

REINVESTMENT RULES

- 1 Acquire "like-kind" property
- 2 Purchase property that is equal or greater in value than the property sold
- 3 Reinvest all net proceeds (exchange funds) from the sale into replacement property

1031 EXCHANGE TAX ADVANTAGES

There are major tax advantages when utilizing a 1031 exchange. Investors can defer the capital gains and depreciation recapture taxes they would have otherwise paid the IRS and instead build equity while maximizing their buying power. Combined tax rates ranging from 25% - 40% are burdensome for investors. Saving valuable tax dollars brings relief and greater opportunity to growing wealth.

Here is a comparison of a Conventional Sale vs. 1031 Exchange:

	Sale	Tax Deferred Exchange
Sales Price	\$1,000,000	\$1,000,000
Tax Basis	\$300,000	\$300,000
Capital Gains	\$700,000	\$700,000
Taxes on Gains	\$105,000	-\$0-
Reinvestment Capital	\$595,000	\$700,000