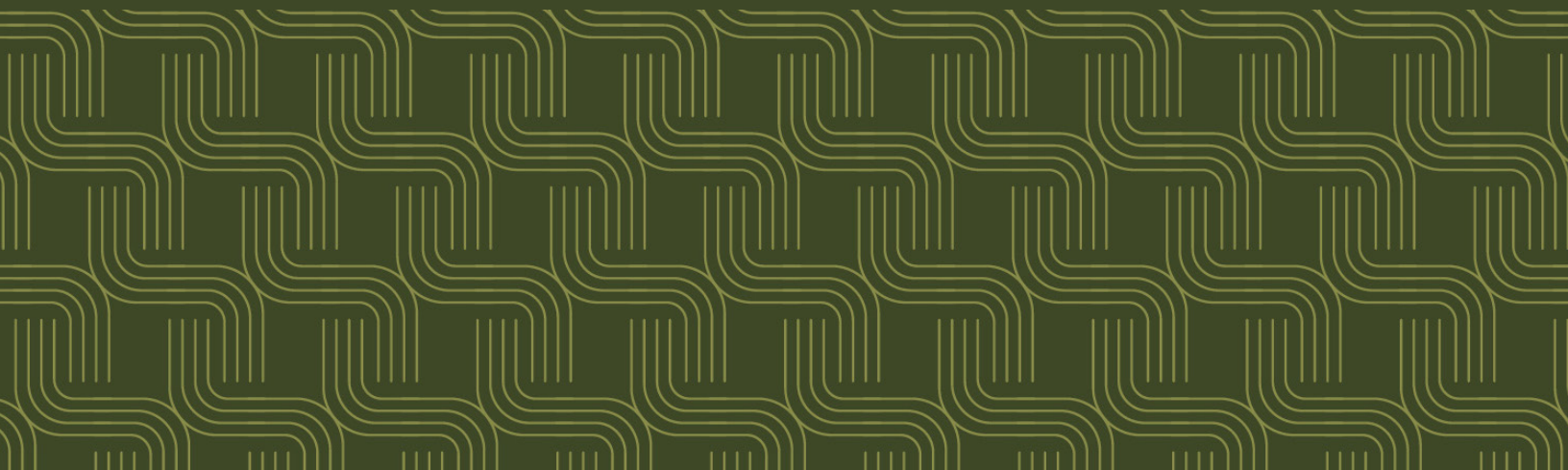




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Helpful Steps for a Successful 1031 Exchange



A 1031 EXCHANGE DOESN'T HAVE TO BE CONFUSING OR STRESSFUL. HERE ARE TEN BASIC STEPS TO COMPLETE A SUCCESSFUL 1031 EXCHANGE.

01

Schedule a consultation with us

Legacy can help you understand your exchange options, the rules, and pitfalls and start you on the right path.

02

Decide to do a 1031 Exchange and enlist the right professionals

Legacy is a great resource for 1031 Exchanges. But we can't offer tax or legal advice. Therefore, it's important you have a tax and/or legal advisor who can work alongside Legacy to give you the advice you need. Retaining these specialists isn't mandatory, but we highly recommend it. We can refer you to experienced, trusted professionals if necessary.

03

List your property

Contact a listing broker and put your property on the market. We can help you find a specialist who can list and sell your property.

04

Find a qualified intermediary

You must use a qualified intermediary. Legacy does not perform intermediary services, but we can refer you to one of the trusted professionals we work with who are experienced and bonded.

05

Start looking for replacement properties

Remember, the 45-day countdown begins the moment escrow closes on your relinquished property. We suggest you start looking for a replacement property even before your relinquished property is sold.

06

Negotiate and accept an offer on your property

Although it's not required, it's good practice to modify your sale contract or purchase and sale agreement to reflect your 1031 Exchange. This language is commonly known as an Exchange Cooperation Clause. We will review your documents to ensure the language is correct.

TIMELINE
STARTS

07

Close on the sale of your property

Your title company or attorney will handle your closing. Your qualified intermediary must also be involved in the process, and the funds will transfer to their escrow account — not yours. You can never take constructive receipt of sale proceeds.

45
DAYS

08

Identify replacement properties (within 45 days)

You must identify potential replacement properties by midnight on the 45th day from the close of your relinquished property. Because this timeline is so tight, you'll likely want to identify a variety of properties and back-ups. Legacy will help you employ different identification strategies that will help increase your likelihood of a successful exchange.

09

Enter into contract or purchase and sale agreement

After you've decided on a replacement property (or properties), you must enter into a contract to purchase that property. These contracts should also contain the Exchange Cooperation Clause.

180
DAYS

10

Close on your replacement property

Finally, your intermediary will wire money to the appropriate recipient, and they'll close on the property as they would normally — deferring your need to pay taxes until some point in the future (if ever). You can repeat this process again and again, acquiring new properties and deferring taxes indefinitely.

**Contact us today for professional,
tailored guidance on your passive real
estate investment needs:**

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(916) 908-1031



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Because investor situations and objectives vary this information is not intended to indicate suitability or a recommendation for any individual investor.

This is for informational purposes only, does not constitute individual investment advice, and should not be relied upon as tax or legal advice. Please consult the appropriate professional regarding your individual circumstance.

Potential cash flows/returns/appreciation are not guaranteed and could be lower than anticipated.

Diversification does not guarantee a profit or protect against a loss in a declining market. It is a method used to help manage investment risk.

There are material risks associated with investing in DST properties and real estate securities including liquidity, tenant vacancies, general market conditions and competition, lack of operating history, interest rate risks, the risk of new supply coming to market and softening rental rates, general risks of owning/operating commercial and multifamily properties, short term leases associated with multi-family properties, financing risks, potential adverse tax consequences, general economic risks, development risks, long hold periods, and potential loss of the entire investment principal.

DST 1031 properties are only available to accredited investors (typically defined as having a \$1 million net worth excluding primary residence or \$200,000 income individually/\$300,000 jointly of the last two years; or have an active Series 7, Series 82, or Series 65). Individuals holding a Series 66 do not fall under this definition) and accredited entities only. If you are unsure if you are an accredited investor and/or an accredited entity, please verify with your CPA and Attorney.

Securities offered through Concorde Investment Services, LLC (CIS), member FINRA/SIPC. Legacy Investments & Real Estate is independent of CIS.

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