IDENTIFICATION NOTICE

Note: This Identification Notice or any written notice of similar substance, *signed by Exchanger*, may be used at any time during the 45 days following transfer of the Relinquished Property in order to identify potential Replacement Property. Properties can be identified either as alternative properties or as multiple properties (26 CFR 1.1031(k)-1(c)(4)). In other words, you may elect to specify that you will acquire *either* Property A *or* Property B, or you may specify that you elect to acquire *both* Property A *and* Property B. Unless you specify otherwise, it will be assumed that you intend to acquire *all* properties that you identify.

Date: _____

To: Madison Exchange, LLC
1125 Ocean Avenue
Lakewood, NJ 08701

Re: Exchanger: _____
Relinquished Property: _____
Madison Exchange File #: _____

Dear Madison Exchange:

With reference to the exchange of the above described like-kind exchange, I hereby identify the following replacement properties:

☐ **Three Property Rule**

1. _____
2. _____
3. _____

Or

☐ **200 Percent Rule** **Fair Market Value**

1. _____ _____
2. _____ _____
3. _____ _____
4. _____ _____
5. _____ _____

Exchanger:

_____

DIGEST OF SELECTED LAWS RELATING TO IDENTIFICATION OF REPLACEMENT PROPERTY

The Exchanger must identify replacement property in writing by the 45th day after the closing of their relinquished property. [IRC 1031(a)(3)(A).]

Replacement Property is identified only if it is unambiguously described in the identification notice or exchange agreement. Real property generally is unambiguously described if it is described by a legal description, street address, or distinguishable name (e.g. the Mayfair Apartment Building). [IRS Section 1031 (k)(1)(c)(3).]

Exchanger may identify alternative or multiple proposed replacement properties, however, regardless of the number of relinquished properties, the maximum number of identified proposed replacement properties must qualify under at least ***one*** of the following rules:

> 3 Property Rule: Three properties without regard to the fair market values of the replacement properties. [26 CFR 1.1031(k)-1(c)(4)(i)(A)]
>
> 200 Percent Rule: Any number of properties as long as their combined fair market value as of the end of the identification period does not exceed 200 percent of the combined fair market value of all the relinquished properties as of the date the relinquished properties were transferred by the Exchanger. [26 CFR 1.1031(k)-1(c)(4)(i)(B)]

If, as of the end of the identification period, the taxpayer has identified more properties as replacement properties than permitted by Section 1031 (k)(1)(c)(4)(i), above, the taxpayer is treated as if *no replacement property had been identified* [26 CFR 1.1031(k)-1(c)(4)(ii)] except:

> Property Received During the Identification Period: Replacement property actually received by the taxpayer *during the* ***Identification*** *Period* (*not* the Exchange Period) will be considered to have been properly identified. [26 CFR 1.1031(k)-1(c)(4)(ii)(A).]
>
> 95 Percent Rule: If the Exchanger receives before the end of the exchange period identified replacement property, the fair market value of which is at least 95 percent of the aggregate fair market value of all identified replacement properties, then the identification will be valid, regardless of the number and value of properties identified. [26 CFR 1.1031(k)-1(c)(4)(ii)(B).]