

without

looking

at the

tax

advantages

of an

exchange.

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**Don't Sell
Your Income or
Investment
Property . . .**



PROTECT YOUR EQUITY

When you sell your appreciated (or fully depreciated) trade, business or investment real estate, you expose your equity to capital gains taxes or ordinary income taxes. You may defer payment of those taxes if you exchange your property for other qualifying property.

Few buyers have property to trade, and not all sellers have located suitable replacement property when they've decided to sell. That's where Old Republic National Title Insurance Company can be of assistance. We are experienced at facilitating exchanges, and we have offices and agents located throughout the United States.

The IRS has issued Regulations to assist you in structuring an exchange that qualifies for tax deferral in both **simultaneous** and **deferred exchanges**. You don't have to identify "replacement property" before you sell, but you do have to plan ahead to protect your option to defer paying those taxes. Discuss the advantages of an exchange under Section: 1031 of the Internal Revenue code with your tax and legal advisor before you close on your sale.

The IRS offers several "safe harbors" for you to choose from in structuring your exchange. The qualified

intermediary safe harbor is the most common. It requires that you enter into a written agreement with us, and that you "park" the sale proceeds with us until you close on the purchase of the replacement property. Your money is invested by us during the exchange period. All interest accrues to you. This ensures compliance with the tax laws, which severely limit your right to use, control, or withdraw the sale proceeds.

Naturally, there are strict guidelines and time limits you must observe. Two of the most important ones are:

- 1) you must identify replacement property or properties within 45 days after you sell your property;
- 2) you must acquire the other property within 180 days of your sale, or prior to the tax return due date for the year in which your sale took place — whichever is earlier.

Old Republic Title does not advise you how to structure your transaction; nor do we take title to either property. These limitations protect you and us. They also help you avoid additional expense.

Confused? Knowledgeable tax planners have used these techniques for years. They can readily explain the tax advantages to you.

THE IMPORTANCE OF FINANCIAL SECURITY WHEN CHOOSING AN INTERMEDIARY OR ESCROW AGENT

As your tax and legal advisors will confirm, the most critical factor in selecting an intermediary is its financial strength.

Old Republic Title is particularly proud of its nearly century-long history of impeccable financial strength. Year in and year out we receive recognition as one of the highest rated title insurers in the United States. National ratings agencies, such as **Standard & Poor's**, **Fitch Moody's**, and **LACE Financial**, recognize us for our unsurpassed financial strength as measured by claims-paying ability, capitalization, reserves, investment strategy, and liquidity.

Incorporated in 1907, Old Republic Title is licensed to do business in 48 states, the District of Columbia, and Puerto Rico. We can assist you with your title insurance and escrow needs wherever the real estate you are selling, purchasing, or exchanging is located. Our highly skilled staff delivers timely, knowledgeable service for transactions of any size and complexity.