

**Arlene Ashton  
Exchange Summary**

	<b>Property Conveyed</b>	<b>Property Received</b>
	Ashton Properties	Baker Property Group
Market Value	325,000	475,000
Mortgages Outstanding	160,000	270,000
Adjusted Basis of Exchange Property Given	120,000	280,000
Adjusted Basis of Other Property	0	0
Sales Commission	16,250	23,750
Other Transaction Costs	3,000	0
Depreciation Subject to Recapture	0	0
<b>Balancing of Equities</b>		
Market Value	325,000	475,000
Less Existing Loans	160,000	270,000
Equity	165,000	205,000
Cash Conveyed / Received	40,000	0
Notes Conveyed / Received	0	0
Other Property Conveyed / Received	0	0
<b>Balance</b>	<b>205,000</b>	<b>205,000</b>
<b>Property Received and Given</b>		
<i>Received in the Exchange</i>		
Value of Property Received		475,000
Mortgage on Property Given		160,000
Cash Received		0
Notes Received		0
Other Property Received		0
<i>Net Received</i>		635,000
<i>Given in the Exchange</i>		
Adjusted Basis of Property Given	120,000	
Mortgage on Property Received	270,000	
Cash Given	40,000	
Notes Given	0	
Other Property Given	0	
Sales Commissions	16,250	
Other Transaction Costs	3,000	
<i>Net Given</i>	449,250	
<b>Realized Gain (or Loss)</b>	<b>145,750</b>	

Debt Relief		0
Cash, Notes, Other Property Received		0
Total Boot Received		0
Transaction Costs	19,250	
Cash, Notes, Other Property Given	40,000	
Ordinary Income Under Recapture Rules	0	
<b>Recognized Gain</b>	<b>0</b>	
<b>Tax on Recognized Gain (estimated)</b>	<b>0</b>	
<b>Deferred Gain</b>	<b>145,750</b>	
<b>Transfer Basis</b>		
Market Value of Property Acquired		475,000
less Realized Gain		145,750
plus Recognized Gain		0
<b>Basis of Property Acquired</b>		<b>329,250</b>
<b>Equity Position After Exchange</b>		
Market Value of Property Conveyed	325,000	
less Mortgage Outstanding	160,000	
= Original Equity Position	165,000	
less Transaction Costs	19,250	
less Estimated Taxes on Recognized Gain	0	
plus Cash Received	0	
<b>New Equity Position</b>	<b>145,750</b>	

**Sample Worksheet for IRS Form 8824**

**Basic Data**

A	Fair market value of the like-kind property received.....	475,000	
B	Mortgage assumed on the like-kind property received.....	270,000	
C	Equity Received. Subtract line B from line A.....		205,000
D	Fair market value of other property received.....		0
E	Installment note received.....		0
F	Total of non-cash items received. Add lines C, D, and E.....		205,000
G	Fair market value of the like-kind property given up.....	325,000	
H	Mortgage assumed by the other party.....	160,000	
I	Equity given. Subtract line H from line G.....	165,000	
J	Fair market value of the other property given up.....	0	
K	Total of non-cash items given up. Add lines I and J.....		165,000
L	Cash received.....		0
M	Cash given. Subtract line K from line F.....		40,000

**Line 15 Summary**

A	Cash Received.....		0
B	Fair market value of other property received.....		0
C	Installment note received.....		0
D	Mortgage assumed by other party.....	160,000	
E	Mortgage assumed on like-kind property received.....	270,000	
F	Net mortgage relief (Subtract line E from line D, not below zero).....		0
G	Cash given.....		40,000
H	Fair market value of other property given up.....		0
I	Installment note given.....		0
J	Cash and Boot received. Add lines A, B, C and F.....		0
K	Cash and Boot given. Add line G, H and I.....		40,000
L	Net Cash and Boot.....		(40,000)
M	Exchange Expenses (total).....		19,250
N	Exchange expenses to extent of boot received...(Enter smaller of line L or line M)...		(40,000)
O	Subtract line N from line L.....(Enter on Form 8824, line 15).....		0

**Line 18 Summary**

A	Adjusted basis of like kind property given up.....	120,000
B	Expenses not used on line 15.....	59,250
C	Mortgages assumed on like kind property received.....	270,000
D	Cash Given.....	40,000
E	FMV of other property & note given up over liabilities assumed by other party.....	0
F	Add lines C thru E.....	310,000
G	Mortgage assumed by other party.....	160,000
H	Excess of liabilities assumed, cash paid and FMV of other property given over mortgage assumed by other party. Line F less line G.....	150,000
I	Add lines A, B, and H.....(Enter on Form 8824, Line 18).....	329,250

**Sample Worksheet for IRS Form 8824 (cont.)**

12 Fair Market Value (FMV) of other property given up.....	12	0
13 Adjusted basis of other property given up.....	13	0
14 Gain or (loss) recognized on other property given up, Subtract line 13 from line 12. Report the gain or (loss) in same manner as if exchange had been a sale.....		0
15 Cash received, FMV of other property received, plus net liabilities of other party, reduced (but not below zero) by any exchange expenses you incurred.....		0
16 FMV of like-kind property you received.....		475,000
17 Add lines 15 and 16.....		475,000
18 Adjusted basis of like-kind property you gave up, net amounts paid to other party, plus any exchange expenses not used on line 15 (See instructions).....		329,250
19 Realized gain or (loss). Subtract line 18 from line 17.....		145,750
20 Enter the smaller of line 15 or line 19, but not less than zero.....		0
21 Ordinary income under recapture rules. Enter here and on IRS form 4797, line 16....		0
22 Subtract line 21 from line 20. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797, unless installment method applies.....		0
23 Recognized gain. Add lines 21 and 22.....		0
24 Deferred gain or (loss). Subtract line 23 from line 19. If a related party exchange, see instructions.....		145,750
25 Basis of like-kind property received. Subtract line 15 from sum of 18 & 23.....		329,250