



Exchange Facilitator Corporation

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Suggested Exchange Language For Purchase and Sale Agreements

The following language is suggested for inclusion on the Purchase and Sale Agreement to document the intent to complete an exchange. Further documentation for the exchange will occur after the signing of the Purchase and Sale Agreement, but using this suggested language will give your client, who wants to do an exchange, the ability to obtain the cooperation necessary to properly document the exchange. This language reflects the Final IRS Regulations for 1031 exchanges and is current as of April 1, 2014.

WHERE THE EXCHANGOR IS SELLING PROPERTY

“Seller intends to complete this transaction as part of a Section 1031 tax- deferred exchange. Purchaser agrees to cooperate with Seller in documenting and completing such exchange by agreeing that Seller may transfer Seller’s rights and obligations under this Purchase and Sale Agreement to Seller’s Qualified Intermediary, Exchange Facilitator Corporation.

Purchaser agrees to accept Exchange Facilitator Corporation as the assigned Seller of the Property described in this Agreement. Purchaser shall incur no additional expense or liability by such cooperation.”

WHERE THE EXCHANGOR IS PURCHASING PROPERTY

Always make the Purchase and Sale Agreement with Exchangor’s name as purchaser “and/or assigns to complete an exchange”

And use the following language:

“Purchaser intends to complete this transaction as part of a Section 1031 tax- deferred exchange. Seller agrees to cooperate with Purchaser in documenting and completing such exchange by agreeing that Purchaser may transfer Purchaser’s rights and obligations under this Purchase and Sale Agreement to Purchaser’s Qualified Intermediary, Exchange Facilitator Corporation, or to an Exchange Accommodation Titleholder in the event Purchaser completes a reverse exchange. Seller agrees to accept Exchange Facilitator Corporation, or to an Exchange Accommodation Titleholder, as the assigned Purchaser of the Property described in this Agreement Seller shall incur no additional expense or liability by such cooperation.”

Because tax laws, regulations and court cases interpreting such laws and regulations are in constant flux, it is important to verify that the suggested wording is still appropriate at the time of its use. Please feel free to call Dennis P. Helmick or Kelly M. Yates or at 206-324-1350 for further information regarding Section 1031 tax-deferred exchanges.