

**SAMPLE
LIKE-KIND EXCHANGE COOPERATION CLAUSES**

***For Inclusion in
Relinquished Property Sale Contract***

NOTE: This provision should be reviewed by taxpayer's legal counsel as well as taxpayer's tax advisor prior to its use in any contract.

Like-Kind Exchange Cooperation. Buyer is hereby advised that Seller intends to arrange the disposition of the Property as a like-kind exchange ("LKE") pursuant to 26 U.S.C. §1031 and the Treasury Regulations thereunder, using Compass Exchange Advisors LLC ("Compass") to serve and act as Seller's qualified intermediary. Buyer agrees to cooperate with respect to the structuring of the transaction as an LKE, provided however that:

- (i) Seller is obligated to prepare any and all exchange documents at its sole cost and expense;
- (ii) Seller shall hold Buyer harmless for any and all cost and expense associated with respect to structuring the transaction as an LKE;
- (iii) Buyer shall not be obligated to acquire and/or transfer any other property or interest therein other than the Property;
- (iv) Seller's and Buyer's obligations shall in no way be conditioned upon the transaction occurring or being treated as an LKE; and
- (v) Buyer's agreement to cooperate shall in no way constitute an express or implied warranty or representation that the transaction constitutes a valid LKE.

In structuring the transaction as an LKE:

- (i) Seller shall have the right to assign to Compass all Seller's rights (but not its duties and obligations) under the agreement for the sale of the Property;
- (ii) Seller shall remain fully liable to Buyer for performance of any and all duties and obligations under the agreement for the purchase of the Property;
- (iii) Buyer (including Buyer's assignee, if any) agrees to execute an acknowledgment of notice of the assignment of rights to Compass before the transfer of the Property;
- (iv) Seller and Compass shall arrange for the title to the Property to be directly deeded to Buyer (or Buyer's assignee, if any) after execution of the assignment of rights; and
- (v) Seller, Buyer, and Compass shall arrange for the net proceeds from the disposition of the Property to be transferred according to such wiring instructions as shall be provided by Seller and Compass prior to the transfer of title to the Property.

Drafting Notes:

This clause may be included in the contract for the sale of the relinquished property. The terms used should be modified to be consistent with the contract. References to "Seller," "Buyer," and "Property" should be changed as needed to be consistent with the relinquished property sale contract.

Compass Exchange Advisors LLC

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***For Inclusion in
Replacement Property Purchase Contract***

NOTE: This provision should be reviewed by taxpayer's legal counsel as well as taxpayer's tax advisor prior to its use in any contract.

Like-Kind Exchange Cooperation. **Seller** is hereby advised that **Buyer** intends to arrange the acquisition of the **Property** as a like-kind exchange ("LKE") pursuant to 26 U.S.C. §1031 and the Treasury Regulations thereunder, using Compass Exchange Advisors LLC ("Compass") to serve and act as **Buyer's** qualified intermediary. **Seller** agrees to cooperate with respect to the structuring of the transaction as an LKE, provided however that:

- (i) **Buyer** is obligated to prepare any and all exchange documents at its sole cost and expense;
- (ii) **Buyer** shall hold **Seller** harmless for any and all cost and expense associated with respect to structuring the transaction as an LKE;
- (iii) **Seller** shall not be obligated to acquire and/or transfer any other property or interest therein other than the **Property**;
- (iv) **Buyer's** and **Seller's** obligations shall in no way be conditioned upon the transaction occurring or being treated as an LKE; and
- (v) **Seller's** agreement to cooperate shall in no way constitute an express or implied warranty or representation that the transaction constitutes a valid LKE.

In structuring the transaction as an LKE:

- (i) **Buyer** shall have the right to assign to Compass all **Buyer's** rights (but not its duties and obligations) under the agreement for the purchase of the **Property**;
- (ii) **Buyer** shall remain fully liable to **Seller** for performance of any and all duties and obligations under the agreement for the purchase of the **Property**;
- (iii) **Seller** (including **Seller's** assignee, if any) agrees to execute an acknowledgment of notice of the assignment of rights to Compass before the transfer of the **Property**; and
- (iv) After execution of the assignment of rights, **Seller** shall transfer title to the **Property** directly to **Buyer** (or **Buyer's** assignee, if any).

Drafting Notes:

This sample clause may be included in the contract for the sale of the replacement property. The terms used should be modified to be consistent with the contract. References to "Seller," "Buyer," and "Property" should be changed as needed to be consistent with the replacement property sale contract.

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