

SAMPLE 1031 COOPERATION CLAUSE

It is a very prudent practice to 'shout it from the mountaintops' at every juncture that... you intend to conduct a 1031 exchange. That way if there is ever a misstep, mistake or problem, everyone knows what you are trying to accomplish, and will give you the benefit of their understanding.

Here is some sample text that you may use or adapt for your purchase agreements:

- When Selling: (Relinquished Property)

The Buyer herein acknowledges that it is the intention of the Seller to conduct an IRC Section 1031 Tax-Deferred Exchange and that the Seller's rights under this Purchase Agreement shall be assigned to Commercial Partners Exchange Company, LLC, to facilitate such exchange. However, any warranties that may be expressed in this contract shall remain and be enforceable between the parties executing this document. Buyer agrees to cooperate with the Seller and/or its assigns in a manner necessary to enable the Seller to initiate said exchange at no additional cost or liability. This Purchase Agreement is part of an integrated, interdependent, mutual and reciprocal plan intended to effectuate an exchange by Seller of a like-kind real properties pursuant to and in accordance with the provisions of Section 1031 of the Internal Revenue Code. The Buyer shall execute and provide to Seller prior to closing, an acknowledgement, that Buyer has received written notice of the assignment of the Seller's rights under this Purchase Agreement to Commercial Partners Exchange Company, LLC.

- When Buying: (Replacement Property)

The Seller herein acknowledges that it is the intention of the Buyer to complete an IRC Section 1031 Tax-Deferred Exchange and that the Buyer's rights under this Purchase Agreement shall be assigned to Commercial Partners Exchange Company, LLC, for the purpose of completing such exchange. However, any warranties that may be expressed in this contract shall remain and be enforceable between the parties executing this document. Seller agrees to cooperate with the Buyer and/or its assigns in a manner necessary to complete said exchange at no additional cost or liability. This Purchase Agreement is part of an integrated, interdependent, mutual and reciprocal plan intended to effectuate an exchange by Buyer of a like-kind real properties pursuant to and in accordance with the provisions of Section 1031 of the Internal Revenue Code. The Seller shall execute and provide to Buyer prior to closing, an acknowledgement, that Seller has received written notice of the assignment of the Buyer's rights under this Purchase Agreement to Commercial Partners Exchange Company, LLC.