



BUYER'S INTENT TO EXCHANGE SUPPLEMENT

(C.A.R. Form BES, Revised 10/01)

(For use with a separate purchase agreement)

The following terms and conditions are hereby incorporated in and made a part of the agreement, dated \_\_\_\_\_, on property known as \_\_\_\_\_ ("Property"), in which \_\_\_\_\_ is referred to as Buyer, and \_\_\_\_\_ is referred to as Seller.

All other provisions of the existing agreement shall remain in full force.

1. BUYER'S INTENT TO EXCHANGE: It is the intent of Buyer to utilize this transaction as part of an exchange of like-kind property under Internal Revenue Code §1031 and the regulations promulgated thereunder. Buyer and Seller agree to cooperate in effecting such an exchange, as follows:

A. Buyer intends to use the Property as part of an exchange for "Other Property":

(Check One Only)

Described as \_\_\_\_\_

OR  To be designated by Buyer, who shall take all steps necessary to enter into a contract to sell and transfer such Other Property.

B. Buyer shall indemnify, defend and hold harmless all other parties to this transaction from all liabilities and any additional costs arising from or connected in any way with the exchange.

C. If Buyer is unable to complete the transfer of such Other Property:

(Check One Only)

This transaction shall close escrow as a sale, without extension of time for closing.

OR  The close of escrow for this transaction shall be extended by a maximum of \_\_\_\_\_ Days to enable Buyer to complete such arrangements.

OR  This transaction shall be canceled and all parties shall be released from further obligation.

OR  Other: \_\_\_\_\_

D. Seller in this transaction shall not be required to take title to Other Property for any period of time, as an accommodation to Buyer, unless agreed to in writing.

E. All parties agree to take such actions and execute or consent to such additional documents and transactions as may be reasonably requested by Buyer, provided that all other conditions of this agreement are met.

2. ADDITIONAL TERMS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. TAX AND LEGAL CONSEQUENCES OF AN EXCHANGE: Locating and designating properties pursuant to this agreement, if applicable, are the responsibility of the party requesting the exchange ("Exchangor"), and will not occur automatically as a result of this agreement. If the exchange will be non-simultaneous, under federal tax law: (i) the property to be acquired by Exchangor must be identified within 45 days after transfer of Exchangor's current property; (ii) the acquisition generally must be completed within 180 days after transfer of Exchangor's current property; and (iii) the 180 day period may be shorter under some circumstances. The manner of structuring an exchange transaction will have significant tax and legal consequences. Parties should consult their legal and/or tax advisors regarding this important matter.

By signing below, the parties acknowledge that they have read, understand, accept and have received a copy of this agreement.

Buyer \_\_\_\_\_ Seller \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Buyer \_\_\_\_\_ Seller \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1990-2001, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

Published and Distributed by REAL ESTATE BUSINESS SERVICES, INC. a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS® 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_  
Broker or Designee \_\_\_\_\_



BES-11 REVISED 10/01 (PAGE 1 OF 1)

BUYER'S INTENT TO EXCHANGE SUPPLEMENT (BES-11 PAGE 1 OF 1)