

<p>*New Form* 1031 Exchange Addendum Membership Comments (April 23, 2021-June 10, 2021)</p>	
1.	Good
2.	Please put this form in ZIPFORMS so its easily available.
3.	Looks good.
4.	Like it. Simple and needed.
5.	Happy to see standardization to this form.
6.	Seems like instead of yet another addendum, this could be handled by a clause in Special Terms in the contract. Most agents don't even use the 1031 addendum when they have an exchange seller.
7.	Not quite sure of purpose of this addendum...generally QI a part of exchange arrangement and there is a fee for exchange as part of 3rd party agreement. The addendum mentions no fee to buyer or seller, however party requesting exchange usually would absorb additional exchange costs... Maybe I'm missing whole point of this addendum...but doesn't seem to serve any purpose..
8.	If "Buyer and Seller agree to consent to said assignment" then, if it fails, "...any such agreement to consent to assignment will become null and void." (I just think the language should match.)
9.	There should be more language in there counseling the client to get additional help from a professional, as we (Realtors) are not attorneys or tax professionals. Our own forms have this language, to help protect our liability. The "facilitator" is also a potential liability (some have lost money / gone bankrupt during an exchange), so the Buyer/Seller should be adequately warned (as some of these newer web-based facilitators have lower fees, but less security). Sample of language we use: "The transaction may require a separate facilitator to hold title and transfer funds in a delayed 1031 transaction. It is strongly recommended that Buyer and Seller should: 1. Obtain the advice of a qualified tax attorney or CPA as to the tax effect of the specific exchange contemplated; 2. Use a qualified and reliable facilitator as accommodator for the transaction. A Bond or proof of available resources should be obtained from the facilitator to assure its financial ability to perform the exchange. 3. A legally binding exchange accommodation agreement should be entered into to ensure performance by all parties. Buyer and Seller hereby acknowledge ____ (brokerage) ____ shall be held harmless with regard to the tax deferred exchange and has not given tax or legal advice related to this proposed tax deferred exchange, and has not guaranteed the financial

ATTACHMENT O
Standard Forms Committee Meeting (July 8, 2021)

	<p>capability of the facilitator. The Buyer and Seller should not sign this Addendum unless they have first read and understand it. Buyer and Seller are advised to consult with an attorney regarding this 1031 Tax Deferred Exchange Addendum."</p>
--	---

DRAFT