



1031 EXCHANGE ADDENDUM
Hawaii Association of REALTORS® Standard Form
Revised 4/22 For Release 11/22



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Purchase Contract Reference Date: _____

Property Reference or Address: _____

Tax Map Key: Div. _____/Zone _____/Sec. _____/Plat _____/Parcel(s) _____/CPR(s) _____ (if applicable).

1. Exchanging Party is: [] Buyer [] Seller [] Buyer and Seller.
2. Seller and/or Buyer may assign all such party's rights under the Purchase Contract to a third party to facilitate an Internal Revenue Code Section 1031 like-kind exchange transaction.
3. Seller and Buyer agree to consent to said assignment, if so requested, with the understanding and agreement that the party giving such consent shall not incur any additional expense or liability by reason of consenting to the assignment. The Exchanging Party will indemnify and hold the other party harmless from all costs, expenses, and liabilities incurred by the other party because of the Exchanging Party's 1031 exchange. Any and all representations, warranties, indemnifications and obligations in the Purchase Contract shall remain the obligation of the Buyer and/or Seller, as applicable, notwithstanding any such assignment. Seller and Buyer agree to mutually cooperate with such third-party assignee in order to effectuate the completion of the exchange.
4. Seller and Buyer further agree to cooperate with the other in effecting such transaction, including, without limitation, consenting in writing to the assignment of the Purchase Contract to any such third party and/or any affiliated entity for purposes of effecting a like-kind exchange; provided that such exchange transaction, and the related documentation: (a) not require the other party to execute any contract (other than as set forth above), make any commitment, or incur any obligation, contingent or otherwise, to any third party that would expand the obligations of such other party beyond those set forth in the Purchase Contract or incur any additional cost, (b) not delay the closing or the transaction contemplated in the Purchase Contract, or (c) not include acquiring title to any property other than as set forth in the Purchase Contract.
5. Exchanging Party agrees to indemnify and hold the other party harmless from all costs, expenses, and liabilities incurred by such other party because of the other party's participation in said exchange.
6. Buyer and Seller understand and acknowledge that the parties are not relying upon Brokerage Firms for any Qualified Intermediary or Exchange Company services or any advice as it relates to the tax consequences of the transaction, including without limitation under Section 1031 of the Internal Revenue Code.
7. Should the Closing contemplated in the Purchase Contract fail to occur, any such agreement to consents to an assignment of the Purchase Contract will become null and void.

Brokerage Firm(s) has not made any representation or warranty or rendered any opinion about the legal or tax consequences of the contemplated exchange transaction. The parties should consult with appropriate tax and legal professionals.

Buyer and Seller acknowledge that they have read, understand, and agree to the terms and conditions of this 1031 EXCHANGE ADDENDUM.

Date _____
 Buyer's Name _____
 Signature _____
 Title _____

Date _____
 Seller's Name _____
 Signature _____
 Title _____

Date _____
 Buyer's Name _____
 Signature _____
 Title _____

Date _____
 Seller's Name _____
 Signature _____
 Title _____

NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this Addendum into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS ADDENDUM COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to consult with their own attorneys about Chapter 487A (and other laws that may apply).

