



SELLER'S INTENT TO EXCHANGE SUPPLEMENT (C.A.R. Form SES, Revised 11/09) (For use with a separate purchase agreement)

The following terms and conditions are hereby incorporated in and made a part of the agreement, dated _____, (the Agreement") 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. SELLER'S INTENT TO EXCHANGE: It is the intent of Seller 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. Seller intends to use the Property as part of an exchange for "Other Property": (Check One Only)
B. Seller 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 Seller is unable, through no fault of Seller, to locate, designate, enter into a contract to acquire, or complete acquisition of such Other Property by the Close Of Escrow in the Agreement, or as extended by mutual agreement: (Check One Only)
D. Buyer in this transaction shall not be required to take title to Other Property for any period of time, as an accommodation to Seller, 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 Seller, provided that all other conditions of this agreement are met.

2. ADDITIONAL TERMS: Seller instructs escrow company to send a certified copy of escrow instructions and a copy of the preliminary title report to Downstream Exchange Company either by mail to 909 East Green Street, Pasadena, CA 91106 or by fax to 626-796-8222. You may call Downstream Exchange Company at 626-796-1031 regarding any exchange questions.

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 _____

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