

**SUGGESTED LANGUAGE TO INCLUDE IN  
EXCHANGOR'S CONTRACT WITH A SELLER OF  
THE REPLACEMENT PROPERTY**



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**Notice:** Pursuant to IRC Regulations Sec. 1.1031(k)-1(g)(4)(v), a qualified intermediary is treated as entering into an agreement for the acquisition and transferring of the relinquished property if the rights to any such agreement are assigned to the qualified intermediary and all parties to that agreement are notified in writing of the assignment on or before the date of the relevant transfer of the property. It is recommended that the following paragraph be considered for inclusion in the contract with a Seller of the replacement property.

The parties acknowledge that the Buyer, as an exchangor, intends to comply with Section 1031 of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder, in connection with the sale of the property which is the subject of this contract. (See Optional Paragraph below.) It is a condition to the contract that such an exchange be accomplished by the closing date hereunder, and Buyer shall have no obligation to complete this transaction if said exchange is not completed by the scheduled closing date. Buyer represents that it intends to assign this contract and its rights hereunder to any qualified intermediary participating with the Buyer in such exchange as contemplated by the above-referenced Code and Regulations. The Seller hereunder agrees to acknowledge and accept the assignment, and further acknowledges that any such qualified intermediary shall have no personal liability to the Seller, and that the Seller shall not have any recourse against the qualified intermediary or any of its assets on account of any breach or default hereunder or under any other related documents. Notwithstanding the above, the Buyer hereunder acknowledges that there shall be no diminution of the Seller's rights or remedies, and no increase of the Seller's liabilities or obligations, on account of this assignment, and that the Buyer hereunder shall continue to be liable for all obligations imposed upon the Buyer under this contract or any other related document executed by the Buyer. Seller agrees that it will not assign its rights and obligations hereunder to any third party.

**Optional Paragraph:** (It is a condition to the contract that such an exchange be accomplished by the closing date hereunder, and Buyer shall have no obligation to complete this transaction if said exchange is not completed by the scheduled closing date.)

\*\*This form is being provided as a suggested form only. Exchangor acknowledges that Old Second National Bank, in its capacity as Qualified Intermediary, is not acting as legal counsel or advisor, and that the Exchangor must rely on his or her own legal counsel for appropriate legal guidance.

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