

EXCHANGE AGREEMENT

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This Exchange Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[PARTY A LEGAL NAME], a [STATE] [ENTITY TYPE / individual] with an address at [PARTY A ADDRESS] ("**Party A**"); and

[PARTY B LEGAL NAME], a [STATE] [ENTITY TYPE / individual] with an address at [PARTY B ADDRESS] ("**Party B**").

Party A and Party B are each a "**Party**" and together the "**Parties**."

Recitals. Each Party owns certain personal property and wishes to exchange that property with the other rather than sell it for cash. The Parties have inspected, or had the opportunity to inspect, the property offered by the other and wish to record the terms of their exchange in writing. In consideration of the mutual promises below, the Parties agree as follows.

1. The Exchange

1.1 Property exchanged. Party A agrees to transfer to Party B the property described as [DESCRIPTION OF PARTY A PROPERTY, including make, model, serial or identifying numbers, quantity, and condition] (the "**Party A Property**"), and Party B agrees to transfer to Party A the property described as [DESCRIPTION OF PARTY B PROPERTY, including make, model, serial or identifying numbers, quantity, and condition] (the "**Party B Property**"). The Party A Property and the Party B Property are together the "**Exchanged Property**."

1.2 Consideration. Each Party's transfer of its property is the consideration for the other Party's transfer. The Parties agree the exchanged items are of substantially equal value, except as adjusted under Section 1.3.

1.3 Equalizing payment. If the Parties agree the values are not equal, the Party receiving the higher-value item will pay the other Party an equalizing payment (sometimes called "boot") of [AMOUNT] in [CURRENCY], payable by [METHOD] on or before the Closing. Set this amount to [\$0 / NOT APPLICABLE] if no equalizing payment is owed.

1.4 No cash sale. Except for any equalizing payment under Section 1.3, this is a like-kind exchange of property and not a cash sale. Each Party is responsible for determining the tax treatment of the exchange for itself.

2. Closing and Delivery

2.1 Closing. The exchange will close on [CLOSING DATE] at [LOCATION OR "by remote exchange of documents and property"] (the "**Closing**").

2.2 Delivery. At the Closing, each Party will deliver physical possession of its property, together with all keys, accessories, manuals, and documents of title reasonably necessary to transfer and use the property.

2.3 Documents of title. Where the law requires a title certificate, registration, or similar document (for example, for a vehicle or vessel), each Party will sign and deliver all documents needed to transfer clear title to the other and will cooperate with any registration or re-titling required by **[STATE]** law.

2.4 Risk of loss. Risk of loss for each item passes to the receiving Party on delivery of that item at the Closing.

3. Title and Ownership

3.1 Clear title. Each Party represents that it is the lawful owner of the property it is exchanging, that it has full authority to transfer that property, and that the property is free of all liens, security interests, and encumbrances, except as disclosed in writing in **[EXHIBIT A / "the description above"]**.

3.2 Transfer of title. On delivery at the Closing and payment of any equalizing payment, full title to each item passes to the receiving Party.

3.3 Encumbrances disclosed. If any item is subject to a loan, lien, or lease, the transferring Party will disclose it in writing before the Closing and will **[pay it off before Closing / arrange for the receiving Party to assume it on agreed terms]**.

4. Condition of Property; Disclaimer

4.1 As-is exchange. Except for the representations expressly stated in this Agreement, each Party transfers its property **"AS IS, WHERE IS"** and **WITH ALL FAULTS**, and disclaims all other warranties, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, to the fullest extent permitted by applicable law.

4.2 Opportunity to inspect. Each Party acknowledges it has inspected, or had a full opportunity to inspect, the property it is receiving and is relying on its own inspection and judgment, not on any statement not written in this Agreement.

4.3 Known defects. Each Party will disclose in writing any material defect it actually knows about in the property it is transferring. The known defects, if any, are listed in **[EXHIBIT A / "None"]**.

5. Representations and Warranties

5.1 Authority. Each Party represents that it has full power and authority to enter into and perform this Agreement and that this Agreement is a valid and binding obligation of that Party.

5.2 No conflicting transfer. Each Party represents that it has not sold, pledged, or agreed to transfer its property to any other person and that no other person has any right to acquire the property.

5.3 Legal compliance. Each Party represents that its ownership and transfer of the property comply with applicable law and that the property is not stolen, counterfeit, or subject to recall or seizure.

5.4 Survival. The representations in this Section survive the Closing for **[NUMBER, e.g. 12]** months, except claims based on fraud, which survive as long as permitted by applicable law.

6. Taxes and Fees

6.1 Transfer taxes and fees. Each Party is responsible for any sales, use, transfer, registration, or titling taxes and fees imposed on the property it receives, unless applicable law assigns them otherwise.

6.2 Income tax. Each Party is solely responsible for the income-tax treatment of the exchange to itself and has not relied on any tax advice from the other Party. The Parties are not relying on this Agreement to qualify for any

specific tax-deferred treatment, and any such treatment is the responsibility of each Party and its own advisors.

6.3 **Cooperation.** Each Party will provide the other with reasonable information and documents needed to report the exchange to taxing or registration authorities.

7. Indemnification

7.1 **By each Party.** Each Party (as "**Indemnifying Party**") will indemnify and hold harmless the other Party from third-party claims, losses, and reasonable expenses arising from (a) the Indemnifying Party's breach of this Agreement, (b) a defect in the Indemnifying Party's title to the property it transferred, or (c) the Indemnifying Party's ownership or use of the property before the Closing.

7.2 **Procedure.** The Party seeking indemnity will give prompt written notice of the claim, allow the Indemnifying Party to control the defense of claims it has agreed to indemnify, and provide reasonable cooperation. The Indemnifying Party may not settle a claim in a way that imposes liability or admission on the other Party without its consent.

8. General Provisions

8.1 **Entire agreement.** This Agreement, with its exhibits, is the entire agreement between the Parties on its subject and supersedes all prior discussions. It may be amended only by a writing signed by both Parties.

8.2 **Governing law and venue.** This Agreement is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in **[COUNTY, STATE]**.

8.3 **Assignment.** Neither Party may assign this Agreement without the other's prior written consent.

8.4 **Notices.** Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

8.5 **Severability and waiver.** If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

8.6 **Counterparts and electronic signature.** This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

PARTY A

Signature: _____

Printed name: **[NAME]**

Title: **[TITLE / N/A]**

Date: _____

PARTY B

Signature: _____

Printed name: **[NAME]**

Title: **[TITLE / N/A]**

Date: _____

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