

[Law Firm or Accounting Firm Letterhead]

[Date]

[Client Name]

[Client Address]

[City, State, Zip]

RE: Federal Income Tax Opinion - Qualification of Build-To-Suit Exchange under Section 1031

Dear [Client Name],

You have requested our legal opinion regarding whether the proposed "Build-To-Suit" (or "Improvement") exchange of real property will qualify for non-recognition of gain pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code").

Description of the Transaction

Based on the documentation provided, we understand the facts to be as follows: [Insert brief description of Relinquished Property, the role of the Qualified Intermediary (QI), the use of an Exchange Accommodation Titleholder (EAT), and the specific improvements to be constructed on the Replacement Property].

Legal Analysis

Our analysis is based on the Code, Treasury Regulations, and specifically Revenue Procedure 2000-37, which provides a safe harbor for "parking" transactions with an Exchange Accommodation Titleholder. We have evaluated the following requirements:

- Identification of the Replacement Property and the specific improvements within the 45-day identification period.
- Completion of the improvements and transfer of the Replacement Property to the Taxpayer within the 180-day exchange period.
- The requirement that the EAT holds "qualified indicia of ownership" during the construction phase.
- Compliance with the prohibition against the Taxpayer receiving "boot" in the form of pre-paid construction costs for work not yet performed.

Opinion

Based upon the foregoing and subject to the assumptions and qualifications set forth herein, it is our opinion that the proposed transaction, if executed as described, will be treated as a like-kind exchange. Accordingly, no gain or loss should be recognized for federal income tax purposes upon the conveyance of the Relinquished Property, except to the extent of any non-like-kind property received.

Scope and Limitations

This opinion is limited to federal income tax laws and does not address state or local tax consequences. This opinion is based on current law and may be rendered invalid by subsequent legislative or administrative changes.

Sincerely,

[Signature]

[Printed Name of Partner/Principal]

[Firm Name]