

_____, 2021

Buyer's Name
Buyer's Company
Buyer's Address

Re: _____.

Dear Mr./Mrs. _____,

This letter is in reference to the intent of the parties to enter into an agreement for Buyer to purchase the Properties, as hereinafter defined, from Seller (the "Contract") upon the terms and conditions hereinafter set forth and such additional terms and conditions as each of the parties or their respective attorneys may deem desirable.

1. **Buyer:** and/or its assigns.
2. **Seller:** _____
3. **Property:** The "Property" shall consist of approximately ____ units, together with all improvements existing thereon, see Attachment A for addresses and legal descriptions, including notes held by seller for _____, all buildings, fixtures and other improvements located on the land, together with all and singular the rights, privileges, hereditaments and appurtenances (including, but not limited to, easement rights and any and all mineral interests) pertaining to such real property.
4. **Purchase Price:** The "Purchase Price" shall be _____ Dollars (\$0,000,000).
5. **Method of Payment:** The Purchase Price shall be payable as follows:
 - a. Within fourteen (14) days after the date of execution and delivery of the Purchase and Sale Contract, Buyer shall deliver a deposit in the amount of _____ Dollars (\$0,000,000) (the "Deposit"). The Deposit shall be held in an interest bearing escrow account by the "Title Company" (as hereinafter defined) pending the "Closing" (as hereinafter defined) or earlier termination of the Contract.
 - b. Seller shall provide Buyer with a subordinated note secured by a Vendor Lien Deed in the amount of _____ Dollars (\$0,000,000) at _____% interest amortized for ____ years with remaining principal due in ____ years or no later than _____, 20____.
 - c. Buyer will seek a first mortgage from a lending institution of Buyer's choice and sale is contingent on lender accepting a second note for the purchase of the property.
 - d. At Closing, Buyer shall pay to Seller (subject to prorations and adjustments of which the Deposit, including interest earned thereon, shall be a part) in cash a transfer by Intermediary from _____ a 1031 Exchange, the balance of the Purchase Price subject to any financing listed above suitable to Buyer.

6. **Title Evidence:** Seller shall provide Buyer with the following "Title Evidence": (a) a current title insurance commitment issued by Guarantee Title Co. (the "Title Company"), whereby the Title Company will agree to issue a title policy to Buyer at Closing in the amount of the Purchase Price, subject only to the "Permitted Exceptions" (as hereinafter defined); and (b) an up-to-date ALTA survey of the Property (the "Survey"), at Buyer's expense, which shall overlay all improvements and matters referred to in the title commitment. Buyer shall have twenty days (60) from receipt of the Title Evidence in which to review and approve the status of title of the Property. At Closing, Seller shall convey title to the Property by Warranty deed, free and clear of all liens, claims and encumbrances and other matters except for the following (the "Permitted Exceptions"):
 - a. Taxes for the year of closing and subsequent years, not yet due and payable; and
 - b. Matters affecting title to the Property which do not affect Buyer's intended use and/or operation of the Property, including any proposed improvements thereon.
7. **Other Provisions:** Commencing on the Effective Date and continuing until the date that that is sixty (60) business days after the Effective Date (the "Inspection Period"), Buyer and its agents shall have the right, upon prior notice to Seller, to enter on any portion of the Property for the purpose of investigation, discovery and testing of the Property that Buyer determines to be necessary or appropriate, including, without limitation, surveying, geotech, and environmental studies. Buyer shall have until the end of the Inspection Period to determine its satisfaction, in its sole and absolute discretion, with (i) all physical aspects of the Property, (ii) the economic aspects of the Property, (iii) the state of title to the Property, (iv) review of all drawings, engineer reports, plans and approvals for Property, (v) Pace Water & Sewer approvals and/or permits (vi) and Santa Rosa County approval to build addition 42 units. Seller is to also provide buyer, within 21 days of an executed purchased agreement, the last 3 years of Schedule C tax returns and copies of all active leases for review. If Buyer is not satisfied in any respect with Buyer's investigations and inspection of the Property for any reason whatsoever, Buyer may, at Buyer's sole election, terminate this Agreement by delivering written notice of such election to Seller not later than the last day of the Inspection Period. Buyer shall indemnify and hold harmless Seller from and against any damages or claims relating to Buyer's inspection of the Property, together with any damages or claims caused by Buyer's employees, consultants, and agents.
8. **Closing:** The consummation of the purchase and sale transaction (the "Closing") shall occur on or before _____, 20____ following the latter to occur: (i) Buyer having obtained the Approvals; and (ii) the expiration of the Inspection Period; or on such earlier date as Buyer may designate by giving ten days notice to Seller. **Buyer and Seller to split closing fees equally.**
9. **Broker:** Seller and Buyer agree that no broker has brought about the transaction contemplated herein other than _____ ("Selling Broker"); Seller shall cross-indemnify against other brokerage claims. It is understood _____ represents the Buyer. A commission of \$000,000 is to be paid by the Seller.
10. **Intent:** This Letter of Intent is for discussion purposes only and its purpose is to set forth the intent of Seller and Buyer as to the material terms of the Contract, which shall be prepared by Buyer's counsel. Neither Seller nor Buyer intends to be bound unless and until a Contract, acceptable to each in its sole and absolute discretion, has been fully executed and delivered. Seller and Buyer agree to use their

diligent and good faith efforts to promptly execute such a Contract. Notwithstanding the above, Seller agrees that during the period commencing on the date Seller executes a counterpart of this letter and for so long as the parties are diligently and in good faith negotiating the terms of the Contract, Seller will not offer the Property for sale or lease, nor enter into any agreement for the sale or lease of the Property with, nor convey the Property to, any person or entity other than Buyer. A Purchase and Sale Agreement shall be drafted and signed within ____ days of agreement to this letter of intent.

If the foregoing accurately reflects your understanding of the terms and conditions of the proposed transaction, please indicate your agreement by signing and dating as provided below, and returning one copy of this letter to the undersigned.

Very truly yours,

_____, LLC

ACCEPTED AND AGREED:

By: _____

Its: _____

Date: _____