

Letter of Intent

Proposal for the following property: [redacted] comprising 52 units listed at [redacted]

To Owner of Record,

Our offer is based on the following financials that you provided:

1. Accepting Seller's numbers for Gross Potential Rent
2. Accepting Seller's stated economic vacancy
3. Accepting Seller's T12 actuals
4. Accepting Seller's Pro Forma estimates for expenses
5. Solving for our investors' required rate of return

Please find outlined below the general terms and conditions under which **BlueSpruce Holdings, LLC** (Buyer) would be willing to purchase the above referenced Property ("Property"). This letter will serve as a non-binding letter of intent between the **Owner of Record** ("Seller") and **BlueSpruce Holdings, LLC** ("Buyer").

Let this letter serve as our expression of intent to purchase the above referenced property under the following terms and conditions:

1. **PURCHASE PRICE:** The Purchase Price of the Property shall be **(\$8,000,000.00)** paid at closing by the following terms and conditions:

Terms: We will purchase the property in the description listed below

- **EMD:** \$80,000.00 (5 days from acceptance of Purchase and Sale Agreement)
 - **Down Payment:** \$1,600,000.00 (Cash at closing)
 - **Financing:** 80/20 Fannie/Freddie loan at or below 4.8% interest
2. **PROPOSED TIME FRAME:** Buyer's Agent shall submit a bona fide Purchase and Sale Agreement (the "Agreement") to Seller with respect to the purchase and sale of the Property within ten business (10) days from the date this letter of intent is fully executed and accepted by both parties. The date at which the complete financial due diligence package is received by the buyer, from the seller, shall be the Effective Date of the Agreement. Buyer shall have forty-five (45) days from the executed purchase and sale agreement for the "Inspection Period" to make best efforts to perform physical inspections and other due diligence with respect to the Property and decide, in Buyer's sole discretion, whether the property is satisfactory to Buyer.
 3. **EARLY ENTRY INSPECTION PERIOD:** Buyer shall have forty-five (45) days from the Effective Date of the Purchase and Sale Agreement to perform inspections and examine the records of the Property. If, for any reason, during this inspection period, Buyer shall find the Property unsuitable, the Buyer, by written notice to Seller, shall have the right to declare this Letter and any Contract of Sale based hereon null and void and receive a full refund of any Earnest Money that has been deposited. Inspections and due diligence shall include, but not be limited to, Buyer's examination and approval at Buyer's sole discretion, of the following documents and reports (to the extent that they are reasonably available):
 - a) Current title commitment paid for by seller
 - b) Current ALTA surveys to be paid for by Buyer, if Buyer shall require
 - c) Existing ALTA surveys in Seller's possession
 - d) Existing leases, current rent roll (showing lease rent, lease expiration and security deposits paid for each unit)
 - e) Most recent 3 months certified bank deposits
 - f) Current and past income and operating expenses for the most recent three years, if available
 - g) Current and past capital expenditures for the past three years, if available

- h) Architectural, engineering, and feasibility studies as to the condition of Property, if in owner's possession.
 - i) Environmental Reports (i.e. Phase I), if in owner's possession
 - j) Inventory of personal property used in connection with the Property
 - k) Real estate tax and insurance bills for previous two years
 - l) Active service agreements
 - m) Other documents required per the Agreement to be executed
4. **FINANCING PERIOD** – Buyer shall have forty-five (45) days from the due diligence date to obtain a mortgage commitment from a lending institution signifying the ability to secure new financing. If the Buyer is unable to secure the loan commitment, the Buyer, by written notice to Seller, shall have the right to declare this Letter and any Contract of Sale based hereon null and void and receive a refund of any Earnest Money that has been deposited.
 5. **EARNEST MONEY DEPOSIT:** Earnest money will be refundable in the amount of **\$80,000.00** with "title company". After the forty-five (45) day due diligence period, if buyer determines on moving forward buyer will waive physical contingencies and will be applied as credit to purchase and sales at closing.
 6. **TITLE POLICY:** Seller shall convey good and merchantable title to the Property to Buyer and provide, at Seller's sole cost and expense, an ALTA Policy of Title Insurance, insuring the value of the title to the Property in the amount of the Purchase Price, issued by the Title Company.
 7. **CLOSING:** The Closing ("Closing") of the purchase and sale contemplated herein and by the Agreement shall occur at the office of the Title Company or as otherwise mutually agreed by Buyer and Seller. Closing shall take place 14 full business days after a mutually executed contract is signed.
 8. **TITLE:** Title to be vested in an entity to be named by the purchaser prior to Closing.
 9. **PREPAYMENT PENALTY:** Seller shall be responsible for any penalties or fees associated with the early payoff of any existing liens encumbering the Property.
 10. **BROKERAGE FEES:** Seller agrees to pay in full at Closing the agreed upon Seller's Agent commission, Buyer's Agent commission not to exceed 3%, and the Licensee acting on behalf of the Seller.
 11. **ACCESS:** Seller agrees to provide Buyer and any third-party contractor engaged by Buyer (i.e. roofing contractor, etc.) reasonable access to the Property throughout the inspection Period.
 12. **CLOSING DATE:** The Closing will occur on or before ninety (90) days after the mutually Effective Date of the Purchase and Sale Agreement. Should financing constraints dictate additional time, an additional 30-day extension shall be available upon written request from purchaser without penalty. Such written request shall be made prior to the closing date.
 13. **CONFIDENTIALITY:** All negotiations regarding the Property will be confidential and will not be disclosed to anyone other than respective advisors and internal staff of the parties and necessary third parties, such as lenders approached for financing.

It is understood and agreed that this letter does not constitute a complete and definitive Purchase and Sale Agreement for the Property, but merely evidences the intent of the parties to enter into good faith negotiations regarding such purchase and sale on terms including, but not limited to, those outlined herein. Seller understands that Buyer has determined the purchase price of the preceding offer based on past and current financial information supplied by Seller, same being an accurate representation of the Property's economic operation to Seller's best knowledge and belief.

This Letter of Intent is open for your approval and acceptance below for a period of five (5) business days from the date of Buyer's signature. This letter is in consideration of the substantial expenditure of time, effort, and money to be undertaken by the Buyer in connection with the preparation and execution of the Agreement, the various reviews, investigations, and verifications referred to above.

In addition, Seller agrees to negotiate in good faith in an attempt to successfully conclude the purchase of the Property by Buyer, and to keep confidential the content of this Letter of Intent except with respect to the officers and partners of Seller and its legal advisors.

BUYER:

BY:

Signature

Date

Name and title

BlueSpruce Holdings, LLC

SELLER:

BY:

Signature

Date

Name and title

Company