



[DATE]

## LETTER OF INTENT TO PURCHASE REAL ESTATE

The purpose of this letter is to set some of the basic terms and conditions of the proposed purchase by Lorren Capital LLC, a Texas company (the “Buyer”) of certain real estate owned by (the “Seller”). The terms set forth in this Letter will not become binding until a more detailed “Purchase Agreement” is negotiated and signed by the parties, as contemplated below by the section of this Letter entitled “Non-Binding.”

The purpose of this letter is to set some of the basic terms and conditions of the proposed purchase by the undersigned (the “Buyer”) of certain real estate owned by you (the “Seller”). The terms set forth in this Letter will not become binding until a more detailed “Purchase Agreement” is negotiated and signed by the parties, as contemplated below by the section of this Letter entitled “Non-Binding.”

1. **PROPERTY ADDRESS:** The properties proposed to be sold are located:

[Address of Property]  
[to Purchase]

2. **PRICE:** The proposed purchase price is \$10,500,000 of which \$105,000 would be deposited in Escrow, upon acceptance of a binding Purchase Agreement. Buyer would pay the balance to Seller at closing. All earnest money deposits are subject to approved lending, due diligence, environmental and title.
3. **INSPECTION PERIOD:** Buyer will have thirty (30) days after the final acceptance of a binding Purchase Agreement, to inspect and approve the property, review due diligence documentation Exhibit “A” and title commitment. Buyer may have the Real Estate inspected by a person of Buyer’s choice to determine if there are any structural, mechanical, plumbing or electrical deficiencies, structural pest damage or infestation, any unsafe conditions or other damage, including the presence of radon gas, any lead-based paint hazards, and inspections for other conditions that are customary to the locality and/or that are required by law. After the inspection period, the deposited earnest money will be non-refundable subject to approved lending, environmental and title.
4. **FINANCING PERIOD:** Buyer will require a sixty (60) day period from the effective date of the Purchase Agreement to obtain first mortgage loan approval from a Lender with terms and conditions satisfactory to Buyer.

5. **CLOSING:** Closing shall take place no later than sixty (60) days from the effective date of the Purchase Agreement. Buyer may purchase (2) 30-day extensions at \$25,000 for the first extension and \$50,000 for the second extension each going towards purchase price. Seller shall execute a special warranty deed, conveying good and marketable fee simple title to the property subject only to the permitted exceptions. At Seller's cost, and as a condition to buyer's obligation to close, the Title Company shall deliver to buyer a marked up base Owner's Commitment of Title Insurance (the "Title Policy"), issued by the Title company dated the date and time of recording of the Deed in the amount of the Purchase Price, insuring buyer as owner of fee simple title to the property subject to only such exceptions as have been approved by buyer previously, if any. Any endorsements or extended and special coverages shall be obtained by buyer at buyer's cost.
6. **CLOSING COSTS:** Traditional distribution of closing costs.
7. **SURVEY:** Seller agrees to pay the cost of updating the existing survey and have it recertified for the title company.
8. **TITLE COMPANY & ESCROW:** To be determined
9. **STANDARD PROVISIONS:** The Purchase Agreement will include the standard provisions that are customary to the locality and/or that are requested by law.

10. **ADDITIONAL PROVISIONS:**

**Due Diligence Items:** Attached as Exhibit "A" is a list of documents and materials relevant to due diligence. As there is typically a lapse of several days between Seller's receipt of this letter and Buyer's eventual receipt of a signed Purchase Agreement from Seller, we believe it is reasonable and quite beneficial to both parties, to anticipate receipt of these items ten (10) business days upon Seller's execution of a Purchase Agreement. The timeliness of such delivery strongly assists the Purchaser's ability to complete due diligence within the relatively short time period provided above. In the event certain items listed do not exist, or cannot for some reason be obtained by Seller, please note such fact immediately adjacent to the respective items on Exhibit "A".

11. **LETTER OF INTENT EXPIRATION DATE:** Tuesday, July 1st, 2022 AT 12:00PM CST
12. **STAND STILL:** Seller shall not initiate or carry on negotiations for the sale of the Real Estate with any party other than Buyer unless either (1) Buyer and Seller fail to enter into a binding Purchase Agreement by (30) business days from the time of acceptance of this agreement, or (2) Buyer and Seller agree in writing to abandon this Letter of Intent.
13. **NON-BINDING:** This Letter of Intent does not and is not intended to contractually bind the parties, and is only an expression of the basic conditions to be incorporated into a binding Purchase Agreement. This Letter does not require either part to negotiate in good faith or to

proceed to the completion of a binding Purchase Agreement. The parties shall not be contractually bound unless and until they enter into a formal, written Purchase Agreement, which must be in form and content satisfactory to each party and to each party's legal counsel, in their sole discretion. Neither party may rely on this Letter as creating any legal obligation of any kind. Notwithstanding the provisions of this paragraph to the contrary, Seller and Buyer agree that the above paragraph entitled "Stand Still" shall be binding, regardless of whether a binding Purchase Agreement is entered into the parties.

If you would like to discuss a sale of Real Estate with the undersigned on these general terms, please sign and return a copy of this Letter of Intent to the undersigned at your earliest convenience.

Very truly yours,

[Signature(s)]

[Member Name(s)]

Managing Partners of [Entity]

The above Letter reflects our mutual understanding and sets forth the basis for proceedings to negotiate a Purchase Agreement as outlined above.

**SELLER:**

---

---

**BUYER:**

---

---

Managing Partner of [Entity]

---

---

Managing Partner of [Entity]

**DATE OF ACCEPTANCE:**

---

**EXHIBIT "A"**  
**Due Diligence Items**

Seller shall provide to Purchaser copies of the following items described below (all of which shall constitute components of the "Property Information" as defined in the Agreement), at no cost or expense to Seller and only to the extent such items are in Seller's possession or reasonable control, provided that certain items of such Property Information may be made available at the Property and digitally for inspection by Purchaser as indicated:

1. Preliminary title commitment.
  
2. Copy of as-built plans and specifications relating to the property, including mechanical, electrical, plumbing and finished improvements, and any soils or engineering reports with respect to the property.
  
3. Copy of any plans and specifications relating to any planned or unfinished tenant improvements to the property.
  
4. Copies of all operating licenses permits (including building permits) and inspection reports issued with respect to the property.
  
5. Copies of all insurance policies and premium statements affecting the property plus a copy from the insurer of a loss runs on the property for the last three years dated not more than five days prior to the letter of intent.
  
6. All tenant leases will be available at the property for review, copies of the standard lease form, and all other agreements, affecting the property and any amendments thereto, all of which shall be certified to by Seller as being true, complete and correct copies thereof and that such contracts provided are all such contracts as of the date thereof.
  
7. A list of all unit types, number of each type, square footage of each type and the current asking rate or asking rent (market rent) for a new resident and the security deposit amount by unit type.
  
8. The most current rent roll of the Property ("Rent Roll") signed by Seller or Seller's Representative, showing residents name, original lease date, lease expiration date, rental rate, security deposit, unit number or address and current outstanding balances or delinquencies.
  
9. Copies of all service, appliance, and other warranties relating to the property.
  
10. An inventory of all personal property, certified by Seller to be true, correct and complete.
  
11. A list of all Fixtures and Personal Property, if any (including without limitation, all free-standing appliances such as refrigerators, office furnishings and equipment, pool equipment, tools, etc.).
  
12. A list and copies of any management, service or maintenance agreements, if any, relating to the Property (i.e.: cable contracts, laundry contracts, management contract, etc.).

13. Most recent utility bills paid by Seller including gas, electric, water, sewer, trash, and cable.
14. Certificates of occupancy issued by the appropriate governmental authorities for the property.
15. Seller shall provide the Buyer with Insurance Loss Runs for the past two (2) years, the name, address and phone number of the current Agent or Insurer and a list of all insurance coverage currently covering the property including the cost of each coverage.
16. Copies of all real estate and personal property tax statements and/or estimates for 2019 and 2020 with respect to the property and the valuation notice issue with respect to the property for 2021.
17. Copies of year-to-date and prior two (2) full year monthly operating statements income and operating records and statements including rent collections, operating expense history, and all capital expenditures.
18. A copy of Seller's environmental reposts if available.
19. A list of all capital improvements which have been made to the property on or before two (2) years prior to the date of this letter of intent, which list shall be certified by Seller as being true, correct and complete.
20. Copies of all resident ledgers at closing
21. Any surveys, plats or plans of the Property in Seller's possession or available to Seller.
22. Copies of any and all notices, violations and correspondence from any municipal, county, state or federal agency or authority asserting or alleging that the premises are or may be in violation of the provisions of any municipal, county, state or federal codes, ordinances, statutes or regulations relating to zoning, building, environmental, health or other regulatory provisions.