

BINDING: LETTER OF INTENT



FACSIMILE/E MAIL TRANSMITTAL SHEET

TO:	FROM:
E MAIL ADDRESS:	DATE:
FAX NUMBER:	CARE OF:
COMPANY:	TOTAL NO. OF PAGES INCLUDING COVER:
PHONE NUMBER: [w] [c]	PHONE NUMBER:
RE: CRE Acquisition: LOI:	E MAIL ADDRESS:

☒ URGENT ☒ FOR REVIEW ☐ PLEASE COMMENT ☒ PLEASE REPLY ☐ PLEASE RECYCLE

Beneficiary/Seller:

Office Phone:

Officer of Seller:

Website/email:

Buyer:

and/or assigns

Object of Purchase:

Acquisition of

Property

Subject Property:

Assessor # _____

Legal Description: Metes & Bounds: to be provided in Title Report

Secured Mortgages:

\$_____± [Unknown collective balances] Lender: _____ ☐ {unknown}

Disclosure: all parties herein acknowledge that, if applicable, existing mortgage balances secured by said defined real property may exceed the offering price herein. Therefore, should the aforementioned declaration be applicable, all parties herein acknowledge that this LOI is expressly contingent upon the formal approval of the Lender herein {and or the controlling entity of said Lender (e.g., Receiver)} of the "Short Sale" terms proposed herein.

☐ N/A There are no secured mortgages of record purported against subject property.

Offering Purchase Price: \$_____

Seller

3870 East Flamingo Road, Suite A2-145 • Las Vegas, Nevada 89121

Direct: 702-883-1927 • e Mail: ken@epifund.com

Page - 1

Buyer

BINDING: LETTER OF INTENT

Initial Earnest Deposit: \$_____ to be deposited with escrow company defined herein within one business day of acceptance herein by Seller.

Balance Earnest Deposit: \$_____ to be deposited with escrow company defined herein within two business days of date Buyer removes all of its inspection contingencies as defined herein.

Terms of Purchase: \$_____ Balance of cash payment (after credit of earnest deposit) to be Deposited with escrow company defined herein on or before two (2) days from the date of the defined Closing Date herein, or as may be mutually amended by the parties hereto. Additional Terms and conditions as follows:

- All parties acknowledge and agree that Buyer so named herein shall, as applicable, identify its assignee to this Binding LOI within three (3) business days from the date Seller executes this Agreement. Said assignment, as applicable, shall require said assignee to acknowledge its understanding and full acceptance of the terms and conditions identified herein. Upon submitting said assignment acknowledgement, Seller shall execute said assignment accepting the assignee as the purchasing entity for subject property and fully releasing _____ from this Binding LOI between the parties.
- Upon Seller's acceptance herein, and within two (2) business days after Buyer has, if applicable, exercised its right to assign its interest in this Binding LOI, Buyer, and or its assigns, shall deliver to Seller a final form "Formal Purchase Agreement" with terms and conditions substantially consistent with those identified herein for Seller's review and execution.
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Proof of Funds: ☒ Attached: formal reference letter from Buyer's Banking and or Asset Manager in a sum no less than the sum requisite to close the intended acquisition escrow herein. POF may also be supplemented by a debt funding participation commitment from a bonafide lender.

Due Diligence Period: _____ (_____) days commencing the date of Seller's and, if applicable, Lender's formal approval of this LOI.

Seller Disclosures: Within _____ (_____) days from date of Seller's execution of this Binding LOI, Seller shall provide Buyer with the following disclosure items as may and or would be available so that Buyer may perform its requisite due diligence on the subject property:

- Full disclosure of its knowledge of any junior liens, mechanics liens, and or property tax liens recorded against subject property. Such information shall include the status of property taxes now due and owing since last payment made;
- Full disclosure of its knowledge of any State, Municipality, or any other special assessment against subject property;
- Full disclosure if it is in a pending default status and or foreclosure procedure with the lender(s) of record, and if in foreclosure, provide a copy of all pertinent documentation defining such status;

BINDING: LETTER OF INTENT

- Full disclosure if it is in a pending Bankruptcy status and or has notified the lender(s) of record of its intent to file for Bankruptcy protection;
- Full disclosure if the property is presently under the receivership of any secured lien holder, or any other entity, and if so, the date when such receivership commenced;
- Full disclosure if it is aware of any existing hazardous environmental issues and or severe property condition issues that may represent a hazard to the health and welfare of the property's existing tenants;
- Full disclosure of any other existing and or contemplated condition that may affect the operating status of the property in the present and or foreseeable future;

Operating Disclosures: Within _____ (_____) days from date of Seller's execution of this LOI, Seller shall provide Buyer and or its assigns with the following operating data documentation so that Buyer may perform its requisite due diligence on the subject property:

- Current YTD Profit & Loss Statement (aka "Operating Statement");
 - Seller shall disclose any and all outstanding invoices and or accounts payable to contractors, suppliers, utility providers, on-site employees, or other service and or material providers for the benefit of the property. Outstanding invoices shall be defined as those that are more than thirty (30) days past due;
- Current Rent Roll of tenant base...such data to include unit number, tenant name, commencement date of rental period, amount of refundable security deposit on record, any other refundable deposits, current sums due and owing, and payment history of each tenant;
 - Seller shall make available for Buyer inspection the original rental agreements for all current tenants;
- Operating Statement for previous operating year (which could be either a fiscal operating year or calendar year);
- Disclosure defining the rentable status of all presently unrented units;
- Disclosure stating if there had been any insurance claims for the property under the Seller's tenure as owner;
- Any other operating data that Buyer may reasonably request during the Buyer's due diligence period;

Closing Date: COE shall be _____ (_____) days from date that Buyer formerly removes its due diligence inspection contingencies (see pg 2), or, if applicable, Lender of Record (or Receiver) in a "Short Sale" formerly approves any and all "short payoff" conditions pertinent to subject property and has secured, as applicable, Lender and or Court Approval for the sale. Parties herein agree that when Seller and, as may be applicable, when Lender and or the Court (as may be applicable) formerly approves this LOI, and escrow is then opened, an addendum to escrow shall be executed specifically defining the due diligence period and the proposed closing date for all parties to adhere to.

Formal Documentation: All parties herein acknowledge and agree that within _____ (_____) days from the date of Seller's/Receiver's formal approval of this LOI, the parties shall execute formal purchase contract documentation, as provided by Seller/Receiver, consistent with the terms of this LOI. Buyer shall identify its assignee, if applicable (see disclosure on page 2 herein), during this window, and such assignee, if applicable, shall then be the Contact Buyer of record, and said assignee, if applicable, shall provide Seller with its approved Proof of Funds (see pg. 2).

Commissions/Fees: Two (2.0) percent of Gross Purchase Price paid upon and at COE: paid to EPI Fund, LLC, a NV LLC.

BINDING: LETTER OF INTENT

Escrow Company: _____:

Escrow costs and Fees: Seller shall provide buyer with standard title insurance coverage and policies and bear the Cost of such policy and coverage.

- Normal proration of property taxes through COE;
- Normal proration of current tenant rents effective the COE date;
- Property to be deeded to Buyer free and clear of any existing mortgage liens, municipality liens, mechanics liens, and/or IRS liens;
- As applicable: transfer of all existing security deposits and/or special credits due tenants;
- Standard Estoppel certificates shall apply through COE;
- All operating certificates and permits shall be transferred at COE to buyer.

Conditions of Sale: None.

General Provision: **AS IS and Where Located Disclosure:**

Buyer and or its assigns has and or shall exclusively rely upon information listed within the _____ County Assessors and Property Tax office in the State of _____, to determine all measurements; including, but not limited to, lot size, square footage, property features, zoning, permitted use, construction materials, parking, year of construction, and all other pertinent data relating to the real property defined herein.

Buyer and or its assigns acknowledges and accepts that Seller makes no representations and/or warranties of any kind, whatsoever, as to the actual conditions that may exist within or around the property, and Buyer acknowledges that he has and or shall conduct his own investigation of these facts, and any other matters Buyer deems pertinent, and is purchasing the real estate and, as may be applicable, business based upon his own research and conclusions, including, but not limited to the then market value of the real estate as solely determined by Buyer.

Seller/Receiver has absolutely no knowledge of any aspect of the property condition other than as may be disclosed and/or defined in a Disclosure Document that Seller, upon Buyer's request, shall attach herewith, including but not limited to structural, foundational, mechanical, plumbing and or electrical systems. As a result, Seller/Receiver makes no representation or warranty of any kind, whatsoever, as to the condition of those items, or any other items in or around the subject premises, and Buyer acknowledges that it is in no way relying upon Seller to ascertain the condition of those items, as well as all other items at each respective property defined herein. Buyer expressly acknowledges that he is purchasing the real property in "AS IS, WHERE IS" condition.

General Provision: **Level of Expertise and Sophistication of parties in Transaction:**

Buyer and or its assigns herein asserts by its execution hereof that Buyer, and/or its assigns, possesses a high level of expertise and sophistication as a "Principal Buyer" to fully comprehend this proposed agreement and the risks and obligations associated with its terms, provisions and intended results.

General Provision: **Acceptance Date of this LOI by Seller, and then by Lender and, as applicable, FDIC**

This Letter of Intent must be accepted, fully executed, and delivered by Seller/Receiver to Buyer on or before _____, by 5:00 PM pacific standard time otherwise it shall be considered withdrawn.

BINDING: LETTER OF INTENT

Subsequent acceptance by Seller hereof, this Letter of Intent, if requiring Lender and/or Court approval, must be approved, fully executed, and delivered by Lender of Record and or the Court to Buyer on or before _____, by 5:00 PM pacific standard time otherwise it shall be considered withdrawn.

General Provision: **Express objective of the parties in this Letter of Intent to Purchase and Seller Property**

This LOI is intended to express in good faith the binding interest of the parties to purchase and sell the property so defined herein. Neither Buyer nor Seller/Receiver shall be legally obligated to purchase or sell the property unless and until the contract is executed by both parties. The parties acknowledge that this binding LOI does not address all essential terms of the proposed purchase and sale and those essential terms shall be defined in the formal purchase contract documentation that will be provided by Receiver.

The undersigned acknowledges receipt of a copy hereof.

[] **Buyer:** _____ Date
Title: _____

[] **Buyer:** _____ Date
Title: _____

ACCEPTANCE OF LETTER OF INTENT BY SELLER / RECEIVER

The undersigned agree to the terms and conditions in the above **LETTER OF INTENT** and acknowledge receipt of a copy hereof. The undersigned, by their respective signatures, acknowledge they have the authority to sign this Agreement.

[] **Seller/Receiver:** _____ Date
Officer: _____
Title: _____

[] **Seller/Receiver:** _____ Date
Officer: _____
Title: _____

ACCEPTANCE OF LETTER OF INTENT BY BUYER'S ASSIGNEE

The undersigned agree to the terms and conditions in the above **LETTER OF INTENT** and acknowledge receipt of a copy hereof. The undersigned, by their respective signatures, acknowledge they have the authority to sign this Agreement.

[] **Buyer's Assignee:** _____ Date
Officer: _____
Title: _____

[] **Buyer's Assignee:** _____ Date
Officer: _____
Title: _____

Seller

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Buyer