

Marcus & Millichap

Real Estate Investment Services

Investment Sales ♦ Financing ♦ Research ♦ Advisory Services

Date:

Purchaser Contact Information:

RE: Purchase of that certain property consisting of approximately _____ +/- acres located at _____, subject to that certain lease agreement (the "Lease") by and between the current ownership entity, as "Landlord", and _____, "Tenant"

Dear Mr. Molloy:

We are pleased to present you with this Letter of Intent which sets forth the terms and conditions by which we are prepared to purchase the Properties:

Property Location: Approximately _____ +/- square foot building situated on _____ +/- acres located at _____ (the "Property")

Property Size: Approximately _____ +/- acres

Tenant: _____

Purchaser: _____ (Purchaser's Entity)

Purchase Price: Total Purchase Price shall be \$ _____ (____%) cap rate) (the "Purchase Price") payable at Closing, subject to financing, prorations, adjustments, etc. as shall be set forth in the contract for the purchase of the Property (the "Contract").

Document Review Period: Purchaser will have _____ () days from the effective date of the purchase and sale agreement to review and approve the lease agreement and all other documents associated with this transaction that are in seller's possession.

Financing Period: Purchaser will require _____ () days from the effective date of the purchase and sale agreement to obtain a financing commitment.

Earnest Money:

Within five (5) business days of full execution of the Contract, Purchaser will deposit \$_____ (the "Earnest Money") in escrow. The Earnest Money will be deposited in an interest bearing account with _____, as escrow agent, and will be credited against the Purchase Price due at Closing.

Inspection Period:

Purchaser, at Purchaser's sole cost and expense, shall have _____ () calendar days following the notice of completion to inspect the physical condition of the Property, including, but not limited to the soil conditions and the presence or absence of hazardous materials on or about the Property, and to notify the Seller in writing that Purchaser approves same. If Purchaser fails to approve the physical condition of the Property within the specified time, this Agreement shall be null and void, Purchaser's entire deposit shall be returned, and Purchaser and Seller shall have no further obligations hereunder.

Closing:

Closing shall be held on _____ after Seller delivers to Purchaser an Estoppel Certificate, rent commencement agreement from _____, lien waiver from Seller's contractor stating that the job has been paid in full, and warranties on building components and a full warranty from general contractor on materials and workmanship (the "Closing Date") at the office of the closing agent or via mail, and at the time designated by written notice to Purchaser and Seller at least _____ () days prior to the Closing Date.

Conditions:

Closing shall be conditioned on Seller delivering to Purchaser an estoppel certificate stating that the lease is in good standing and that rent has commenced and no default in the lease exists by Landlord or Tenant.

Title and Survey:

Purchaser's purchase of the Property shall be contingent upon Seller delivering full and marketable title to the Property by limited warranty deed. Any objections to title and survey matters shall be made by Purchaser during the Inspection Period. Seller may elect to cure or not cure such objections. If Seller elects not to cure, then Purchaser shall have the option

to terminate the Contract and receive the return of the Earnest Money. During the Inspection Period, Purchaser shall have the right, at its sole cost and expense, to have prepared (or updated) a boundary survey of the Property. The Property will be conveyed by Seller based on the legal description set forth on the survey, which shall be subject to Seller's approval.

Costs:

_____ shall be responsible for payment of title examination costs, title insurance premium, survey, soils and other tests and studies with respect to the Property, and recording costs. _____ shall be responsible for the payment of all transfer taxes on the conveyance of the Property, the brokerage commission and any costs to cure title defects. Purchaser and Seller each shall be responsible for paying their respective attorneys' fees.

Documents:

The Contract shall contain other provisions normally found in a _____ commercial land purchase contract, which provisions are mutually acceptable to Purchaser and Seller. All available documents will be furnished to Purchaser within _____ () calendar days. Seller to make additional documents available to Purchaser as they are obtained.

Contract Assignment by Purchaser:

Purchaser may assign the Contract to another entity, provided that Purchaser, or any member thereof, is affiliated with or holds an interest in said entity.

Lease Assignment by Seller:

Seller shall provide an assignment agreement, assigning any and all of Seller's interest in the Lease as "Landlord" thereunder, as of the date of Closing.

THIS LETTER IS NOT TO BE DEEMED AN OFFER AND IS NOT BINDING UPON PURCHASER OR SELLER. IT DOES NOT CREATE ANY RIGHTS OR OBLIGATIONS WITH RESPECT TO THE PROPERTY UPON EITHER PARTY, BASED ON ANY LEGAL, EQUITABLE OR OTHER THEORY INCLUDING THE RIGHT TO CONTINUE ANY NEGOTIATIONS. Only a subsequent formal written purchase and sale agreement executed by Purchaser and Seller, if at all, will create any rights or obligations between Purchaser and Seller as to the subject matter of this letter. Neither Purchaser nor Seller shall be entitled to rely on this letter or on any of the covenants, representations or agreements made with respect to the transaction described herein unless such covenants, representations or agreements are expressly incorporated in a subsequent written contract duly executed on their behalf by their respective authorized representatives. The terms and conditions of any such contract shall be subject to each party's sole and absolute discretion.

In the event Seller is agreeable to the terms and provisions in this Letter of Intent, please have the appropriate person sign a copy of the letter in the space provided below and fax to (415) 727-3945 or e-mail to Sonny Molloy on or before ____ p.m. EST, _____, 20__.

Sincerely,

Buyer:

Name: _____

Title: _____

AGREED & ACCEPTED THIS ____ DAY OF _____ 20__.

SELLER:

Name: _____

Title: _____