

**EXHIBIT A**

**(Standard Form of Letter of Intent)**

\_\_\_\_\_, 20\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Invitation to Negotiate  
[ \_\_\_\_\_ ] Property

Dear \_\_\_\_\_:

This letter sets forth the proposed basic terms for the negotiation of a Purchase and Sale Agreement for the above-referenced Property.

1. Seller: \_\_\_\_\_

2. Buyer: \_\_\_\_\_

3. Property: The Property is located at \_\_\_\_\_ in \_\_\_\_\_ County, City/Village/Town of \_\_\_\_\_, State of \_\_\_\_\_, and includes all buildings and improvements, if any, located on the real property and that is owned by Seller.

4. Purchase Price: A total of \_\_\_\_\_ and \_\_\_/100 Dollars (\$\_\_\_\_\_.\_\_\_\_). The Purchase Price shall be payable as follows:

a. Deposit: Upon execution of a binding Purchase and Sale Agreement, Buyer shall deposit \_\_\_\_\_ and \_\_\_/100 Dollars (\$\_\_\_\_\_.\_\_\_\_) into Escrow (defined below) (which together with any interest earned thereon is referred to thereon as the "Initial Deposit"). The Initial Deposit shall be released to Seller after expiration of the Due Diligence Period (defined below). Upon expiration of the Due Diligence Period, Buyer shall deliver to Seller an additional deposit ("Additional Deposit") in the amount of \_\_\_\_\_ and \_\_\_/100 Dollars (\$\_\_\_\_\_.\_\_\_\_). The Initial Deposit and Additional Deposit (collectively, the "Total Deposit") shall be credited to the Purchase Price upon the Close of Escrow (defined below) or shall be retained by the Seller as nonrefundable liquidated damages if Buyer fails to acquire the Property for any reason after expiration of the Due Diligence Period other than due to the default of the Seller under the Purchase and Sale Agreement.

b. Balance of Purchase Price: The balance of the Purchase Price shall be deposited in Escrow at least two (2) business days prior to the Close of Escrow or such earlier date as may be required by the Escrow Agent (as hereinafter defined) under applicable law. The balance of the Purchase Price shall be paid to Seller upon the Close of Escrow. The Purchase Price and Total Deposit shall be paid in immediately available federal funds of the United States.

5. Closing: The Closing of Escrow shall occur on or before \_\_\_\_\_, 20\_\_ (the "Closing Date").

6. Escrow: Upon execution of the Purchase and Sale Agreement, the Buyer and Seller shall open an escrow ("Escrow") with \_\_\_\_\_ ("Title Company"). On the Closing Date, if all the conditions precedent set forth in the Purchase and Sale Agreement are satisfied, then the Buyer and Seller shall close the sale through the Escrow (the "Close of Escrow").

7. "AS IS": The Property and all improvements located thereon will be sold "AS IS" without the benefit of any representations or warranties regarding its condition. The Buyer will purchase the Property based upon and in reliance upon its own inspection and analysis of the condition of the Property.

8. Inspection Period: The Purchase and Sale Agreement will provide that the Buyer will have \_\_\_\_\_ (\_\_\_\_) days ("Due Diligence Period") after execution of the Purchase and Sale Agreement to approve or disapprove the condition of the Property, including the following:

a. Title: The Buyer shall have the right to review and approve a title report and all exceptions thereto issued by Title Company.

b. Physical Condition: The Buyer shall have the right to conduct such non-invasive soils tests, engineering studies, environmental audits and investigations, and such feasibility and other studies regarding the condition of the Property as it considers prudent. In connection with the inspections, Buyer and any consultant, contractor or other person entering the Property shall name Seller as an additional insured on a \$1,000,000.00 combined, single limit, comprehensive general public liability insurance policy issued by a licensed insurance company reasonably acceptable to Seller.

c. Documents: Buyer shall have the right to review all documents of record and all zoning, land use and other governmental regulations, laws, permits and approvals that apply to the Property. The Buyer shall have the right to review and approve all contracts, rent rolls, plans, studies and reports related to the Property, that Seller has in its possession and that are not privileged, confidential or proprietary.

9. Indemnity: Buyer shall indemnify, defend and hold Seller harmless for, from and against any and all claims, damages, costs, liabilities and losses (including mechanics' liens) arising out of any entry by Buyer or its agents, designees or representatives.

10. Limitation of Buyer's Remedy: The Purchase and Sale Agreement shall provide that the Buyer waives the remedy of specific performance and, if the Close of Escrow does not occur because of a default by Seller under the Purchase and Sale Agreement, the sole remedy of Buyer shall be to terminate the Purchase and Sale Agreement and receive a refund of the Total Deposit.

11. Brokers: The only broker(s) involved in the purchase and sale of the Property is \_\_\_\_\_ and \_\_\_\_\_. Buyer shall defend, indemnify or hold Seller harmless against any commission or finder's fees or claims relating to the sale of the Property by any other person or entity. The Seller shall be responsible for the payment of the Broker's fee or commission fee for the above-referenced broker(s) in accordance with Seller's separate written agreement with the broker.

12. Confidentiality: Buyer shall keep all information and reports obtained from Seller or relating to the Property or the proposed transaction confidential and will not disclose any such information to any other person or entity without obtaining the prior written consent of Seller.

This letter is merely an invitation to negotiate and is not a contract, offer or option. This letter does not provide Buyer with any rights in the Property or against Seller or its affiliates. The Seller

expressly reserves its rights to negotiate with other parties until a binding Purchase and Sale Agreement is executed by Buyer and Seller. Except for Buyer's indemnity obligation under Paragraph 9 and the duty of confidentiality under Paragraph 12, neither party shall be bound to the other party until a Purchase and Sale Agreement is executed by both parties. If a Purchase and Sale Agreement is not fully executed on or before the \_\_\_\_\_, 20\_\_, then, except for Paragraphs 9 and 12 herein, this letter shall become null and void.

If this letter accurately sets forth your understanding of the basic business terms relating to our negotiation of the proposed Purchase and Sale Agreement, please execute and return the enclosed duplicate original of this letter to the undersigned by on or before \_\_\_\_\_ P.M. on \_\_\_\_\_, 20\_\_. Upon our receipt of an executed copy of this letter, Seller shall prepare the Purchase and Sale Agreement.

The party executing this letter on behalf of Buyer hereby represents and warrants that it has full legal power, right and authority to do so.

If you have any questions or comments, please let us know.

Sincerely,

By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_:\_\_\_\_\_  
Enclosure

APPROVED BY:

**“BUYER”:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ACKNOWLEDGED BY:

**“SELLER”:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_