

EXCLUSIVE NET-LEASE OFFERING

# PANERA BREAD SALE-LEASEBACK

BRAND NEW CONSTRUCTION

Representative Photo



## OFFERING MEMORANDUM



680 E. Highway 80 - Forney, TX 75126



# Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the

income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS. Activity ID: ZAA0331406



680 E. Highway 80 - Forney, TX 75126

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# Investment Highlights

PRICE: \$3,177,361 | CAP: 4.75% | RENT: \$150,925



## About the Investment

- ✓ Brand New Construction; Opening November 2019!
- ✓ Long-Term, 15-Year Absolute Triple-Net (NNN) Lease
- ✓ Lease Commencement Upon Close of Escrow
- ✓ Has Eight Percent Rental Increases Every Five Years
- ✓ There are Four, Five-Year Tenant Renewal Options, Bringing the Potential Lease Term to 35 Years
- ✓ Corporate Tenant | Corporate Guarantee

## About the Location

- ✓ Dense Retail Corridor | Walmart, Walgreens, Lowe's, Aldi, Kroger, AMC, Starbucks, Wendy's, Chick-Fil-A, as well as Many Others
- ✓ Affluent Suburban Community | Average House Hold Income Within a Three Mile Radius is 97,040 | Population Exceeds 244,720 Individuals Within a 10-Mile Radius
- ✓ Situated in Forney Marketplace, a Premier Retail Center Site | 35-Acre Marketplace Anchored by a 124,000-square foot Kroger Marketplace
- ✓ Strong Traffic Counts | Over 70,000 Vehicles Per Day Along US Highway 80

## About the Tenant / Brand

- ✓ Panera has been one of the most successful restaurant companies in history
- ✓ Panera was the best-performing restaurant stock when measured over the last 20 years; delivering a total shareholding return 44 times better than the S&P 500 from 1997 to 2017
- ✓ Named "Sales Leader" by Nation's Restaurant News in the Bakery-Café Group – August 2018
- ✓ Pioneer in Advanced Technology – Driver of Ongoing Sales Growth and Improved Delivery-Catering Initiatives
- ✓ Acquired in 2017 by JAB Holdings, a European conglomerate that owns Krispy Kreme, Keurig, Peet's Coffee, Pret A Manger, among other assets; positioning the chain for continued growth and long-term returns





# Financial Analysis

PRICE: \$3,177,361 | CAP: 4.75% | RENT: \$150,925



## PROPERTY DESCRIPTION

Property	Panera Bread
Property Address	680 E. Highway 80
City, State, ZIP	Forney, TX 75126
Estimated Store Opening*	November 8, 2019
Estimated Building Size	5,460 SF
Estimated Lot Size	+/- 1.41 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$3,177,361
CAP Rate	4.75%
Annual Rent	\$150,925
Price / SF	\$581.93
Rent / SF	\$27.64

## LEASE SUMMARY

Property Type	Net Leased Casual Dining Restaurant
Tenant / Guarantor	Corporate; Panera LLC
Franchisor Ownership	Private; JAB Restaurant Holding Company
Original Lease Term	15 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	15 Years Upon COE
Lease Term Remaining	15 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	8.0% Every Five Years
Options to Renew	Four Periods of Five Years Each

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$150,925	\$12,577	-
Year 2	\$150,925	\$12,577	-
Year 3	\$150,925	\$12,577	-
Year 4	\$150,925	\$12,577	-
Year 5	\$150,925	\$12,577	-
Year 6	\$162,999	\$13,583	8.00%
Year 7	\$162,999	\$13,583	-
Year 8	\$162,999	\$13,583	-
Year 9	\$162,999	\$13,583	-
Year 10	\$162,999	\$13,583	-
Year 11	\$176,039	\$14,670	8.00%
Year 12	\$176,039	\$14,670	-
Year 13	\$176,039	\$14,670	-
Year 14	\$176,039	\$14,670	-
Year 15	\$176,039	\$14,670	-

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a brand-new Panera Bread located at 680 E. Highway 80 in Forney, Texas. This is a rare investment opportunity to participate in a direct sale leaseback with Panera Bread. The newly constructed site will consist of roughly 5,460 rentable square feet of building space on estimated 1.41-acre parcel of land. The café is scheduled to open in November of 2019.

Panera, LLC, the corporate operating entity, will enter into a brand new 15-year triple-net (NNN) sale leaseback with the purchaser upon close of escrow. The initial annual rent will be \$150,925 and will increase by eight percent every five years throughout the term of the lease and in each option period. There will be four, five-year tenant renewal options, extending the total possible lease term to 35 years.



# Tenant Overview



## About Panera Bread

Thirty years ago, at a time when quick service meant low quality, Panera set out to challenge this expectation. They believed that food that was good and that you could feel good about, served in a warm and welcoming environment by people who cared, could bring out the best in all of us. To them, that is food as it should be and that is why they exist. So they began with a simple commitment: to bake fresh bread every day in their bakery-cafes. No short cuts, just bakers with simple ingredients and hot ovens. Each night, any unsold bread and baked goods were shared with neighbors in need.

These traditions carry on today, as they have continued to find ways to be an ally to its guests. That means crafting a menu of soups, salads and sandwiches that they are proud to feed their families. Like poultry and pork raised without antibiotics on our salads and sandwiches. A commitment to transparency and options that empower their guests to eat the way they want. Seasonal flavors and whole grains. And a commitment to removing artificial additives (flavors, sweeteners, preservatives and colors from artificial sources) from the food in its bakery-cafes. Why? Because they think that simpler is better and they believe in serving food as it should be. The company is also focused on improving quality and convenience. With investments in technology and operations, they now offer new ways to enjoy your Panera favorites -- like mobile ordering and Rapid Pickup for to-go orders -- all designed to make things easier for its guests.

As of April 2019, there are more than 2,360 bakery-cafes in 48 states and in Ontario, Canada operating under the Panera Bread(R) or Saint Louis Bread Co. (R) names.

For more information, visit [panerabread.com](http://panerabread.com) or find them on Twitter (@panerabread), Facebook ([facebook.com/panerabread](https://www.facebook.com/panerabread)) or Instagram (@panerabread).

## About JAB Holding Company

JAB Holding, a privately held company and investment arm of the Reimann family, is no stranger to the coffee business. It began building its position in coffee and breakfast in 2012 when it took a stake in D.E. Master Blenders and bought Peet's Coffee & Tea, a premier specialty coffee and tea company, for \$974 million and Minnesota-based Caribou Coffee, a specialty retailer of high-quality premium coffee products, for \$340 million. In the years that followed, the European company would go on to spend billions expanding its coffee empire. Eventually in 2013, JAB agreed to pay \$9.8 billion to purchase D.E. Master Blenders. That company became Jacobs Douwe Egberts (JDE) when JAB merged it with the coffee division of Mondelez International in 2015, which it bought for around \$4 billion, becoming the largest pure-play FMCG coffee company in the world. In 2014, JAB scooped up Einstein Bagels' parent company, Espresso House and Baresso Coffee and in 2015, the company purchased Keurig Green Mountain, a leader in single-serve coffee and beverage technologies, for \$14 billion along with coffee roaster and retailer Stumptown Coffee and coffee bar chain Intelligentsia coffee. Krispy Kreme, a global specialty retailer and wholesaler of premium-quality sweet treats, was added to the portfolio in 2016 and later completed its acquisition of Panera Bread Company in July 2017 for \$7.5 billion and Au Bon Pain (304 units) for an undisclosed sum later that year. Panera Bread's acquisition of Au Bon Pain brings the two companies together again since having split in 1999 and offers a strategic opportunity for the company. The caffeine-fueled company, which has been steadily building a coffee and breakfast empire over the last five years, announced early April 2018 that it has expanded its coffee empire, making a major investment in the launch of online craft coffee retailer "Trade". Trade's website features more than 400 roasts, each with a description of where the coffee was sourced, its flavor profile and how best to brew it. Investing in Trade gives JAB one more foothold in the coffee market, this time online. Only one month later, JAB acquired Pret A Manger, a leading company in the ready-to-eat food market. Pret maintains a strong presence in the U.K. and boasts a rapidly growing international footprint with a presence in the U.S., Hong Kong/China, and France. The company operates over 530 stores worldwide, generating group revenues of £879 million. Today, JAB has broadened its expansion with its announcement to buy a majority stake in Compassion-First Pet Hospitals, moving its portfolio into yet another sector.

For more information about JAB investments, please visit the company's website: <http://www.jabholco.com>  
 Additional Source: <https://www.cnbc.com/2018/04/05/jab-expands-coffee-empire-with-investment-in-online-coffee-shop-trade.html>  
<https://www.jabholco.com/documents/6/press-release-s-p-jab-pret-a-manger.pdf>  
<https://www.reuters.com/article/us-compassionfirst-m-a-jab/jab-broadens-expansion-with-stake-in-pet-hospitals-idUSKCN1QE1M9>





# Surrounding Area

Property Address: 680 E. Highway 80 - Forney, TX 75126







# Location Overview

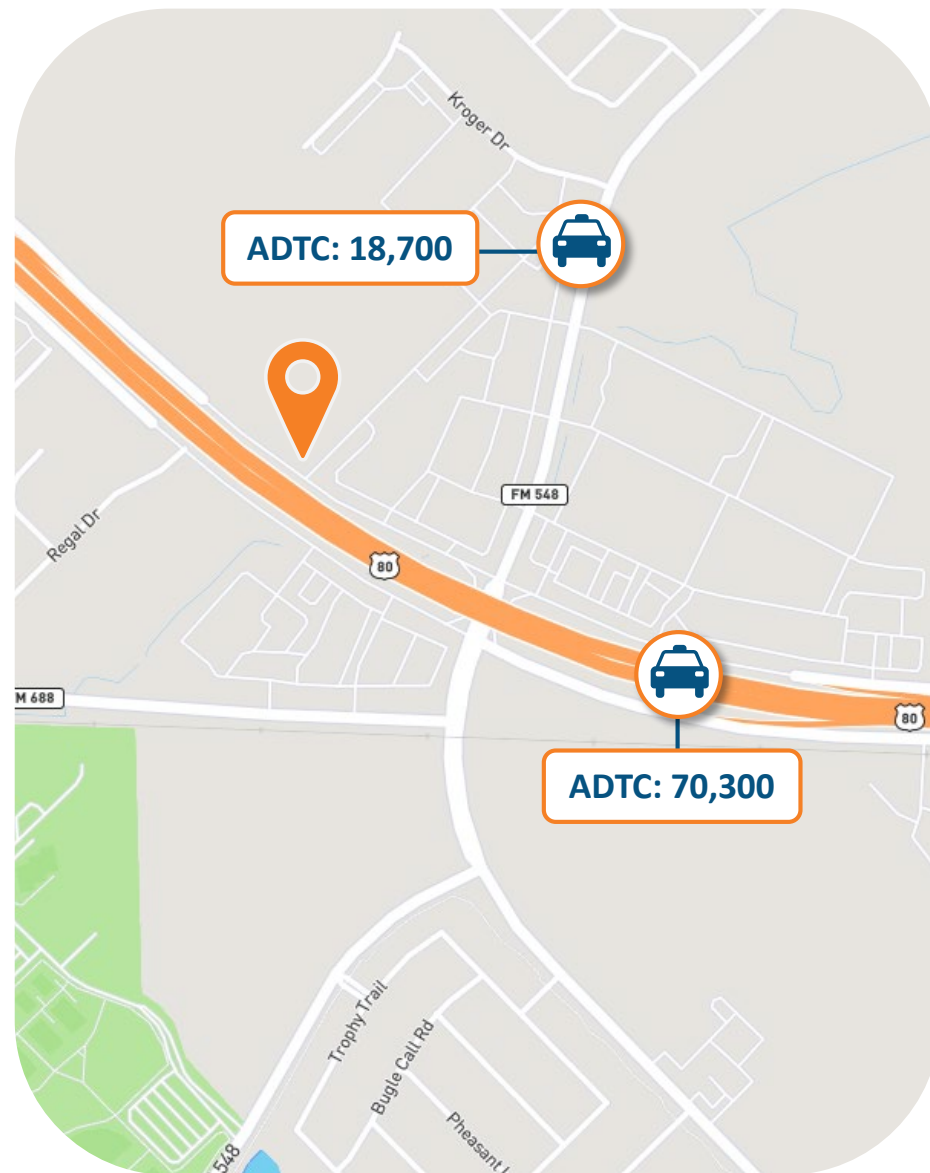
Property Address: 680 E. Highway 80 - Forney, TX 75126



This subject investment property is situated on East Highway 80, which experiences an average daily traffic count exceeding 70,300 vehicles. Intersecting with East Highway 80 is FM-548, which brings an additional 18,700 vehicles into the immediate area on average daily. There are more than 48,340 individuals residing within a five-mile radius of the property and more than 244,720 individuals residing within a five-mile radius.

This Panera Bread benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants. Major national tenants within the immediate area include: Walmart, Lowe's, Kroger, Aldi, AMC Theatres, Walgreens, Starbucks, Pizza Hut, and many more. This subject property is situated in Forney Marketplace, a 35-acre premier retail power center. Forney Marketplace is anchored by a 124,000-square foot Kroger Marketplace and supports a growing primary trade area of over 57,000 people. This site also benefits from its close proximity to several academic institutions. The most notable are North Forney High School and Forney High School, which have a combined total enrollment exceeding 2,900 students and are located within a six-mile radius of the subject property. Baylor Scott & White Medical Center, a 180+ bed, general medical and surgical facility, is located approximately nine miles east of the Panera Bread property.

Forney is a city in Kaufman County, Texas and has been named by the Texas legislature as the "Antique Capital of Texas". It is a part of the Dallas-Fort Worth metroplex. Dallas is the ninth most-populous city in the United States and the third most-populous in the state of Texas. Forney is one of the few remaining cities in the Dallas-Fort Worth area with land to build and grow your business. This includes over 800+ acres of light industrial/commercial business land and dozens of available retail spaces. The largest industries in Forney are: Health care & Social Assistance, Educational Services, and Retail Trade. Whether it's a 170-acre community park, free headliner concerts at the Spellman Amphitheater, family events throughout the year, specialty antiques or our excellent schools and access to quality health care—Forney offers people the perfect place to work, live and play.

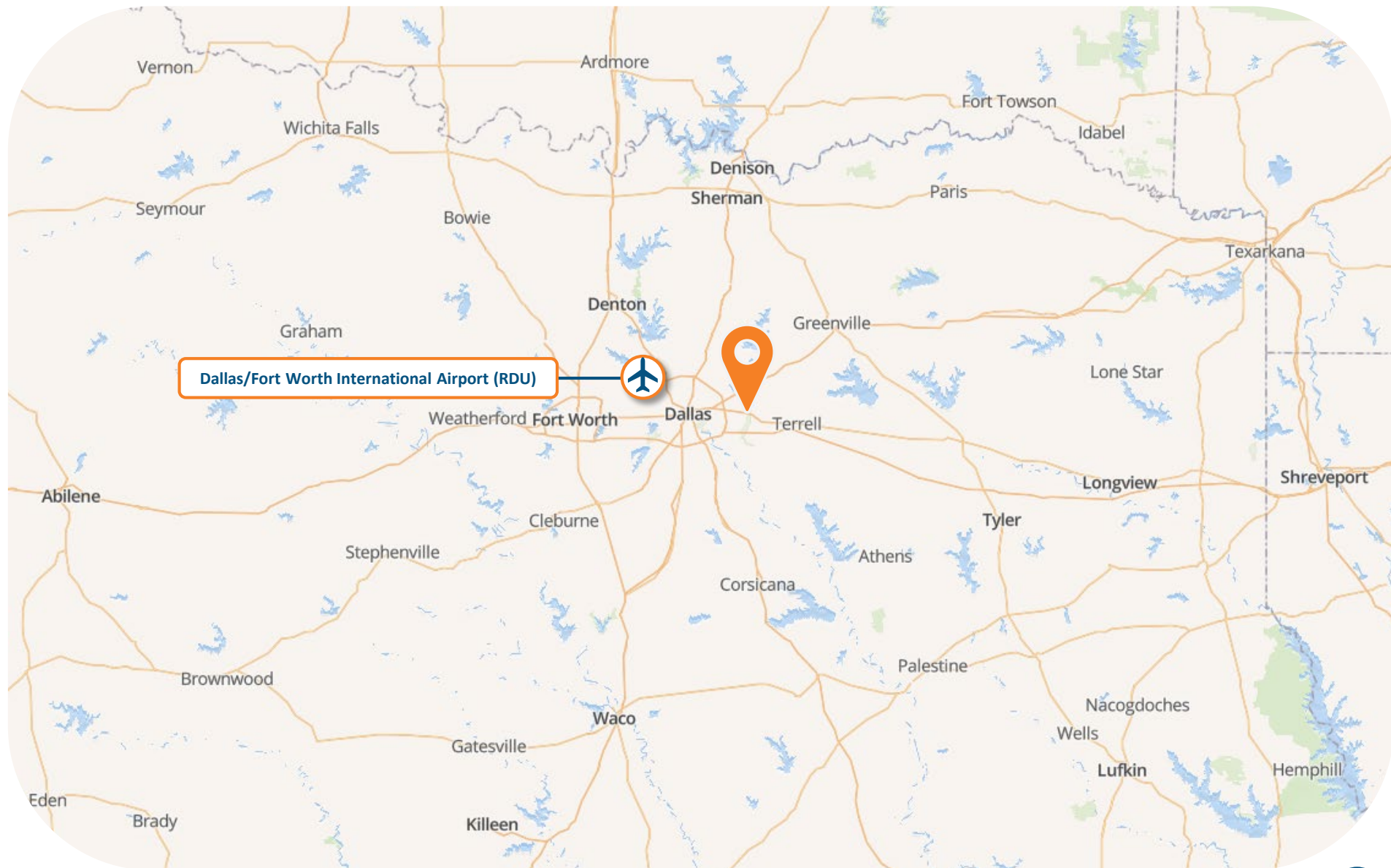




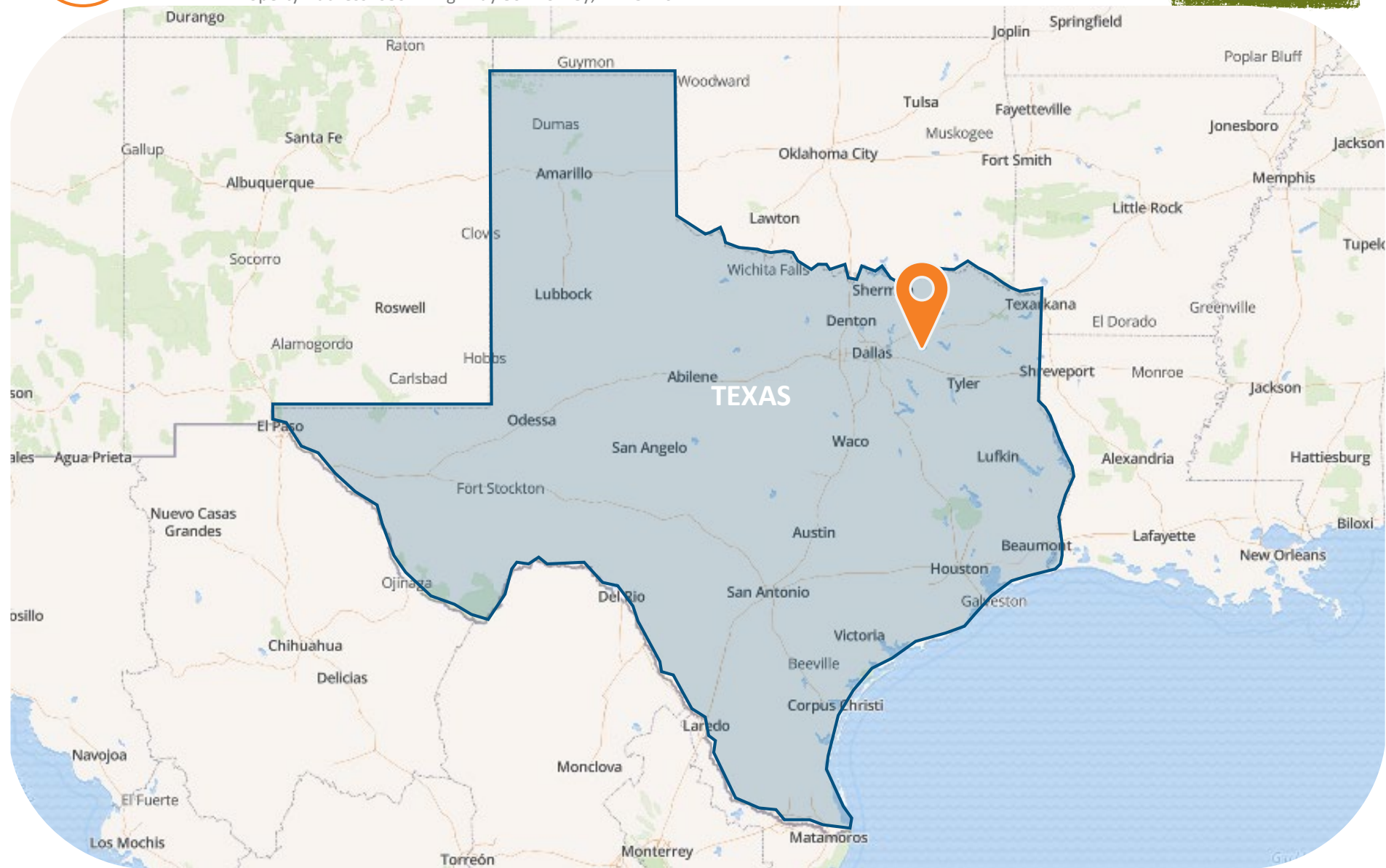


# Local Map

Property Address: 680 E. Highway 80 - Forney, TX 75126



# Regional Map

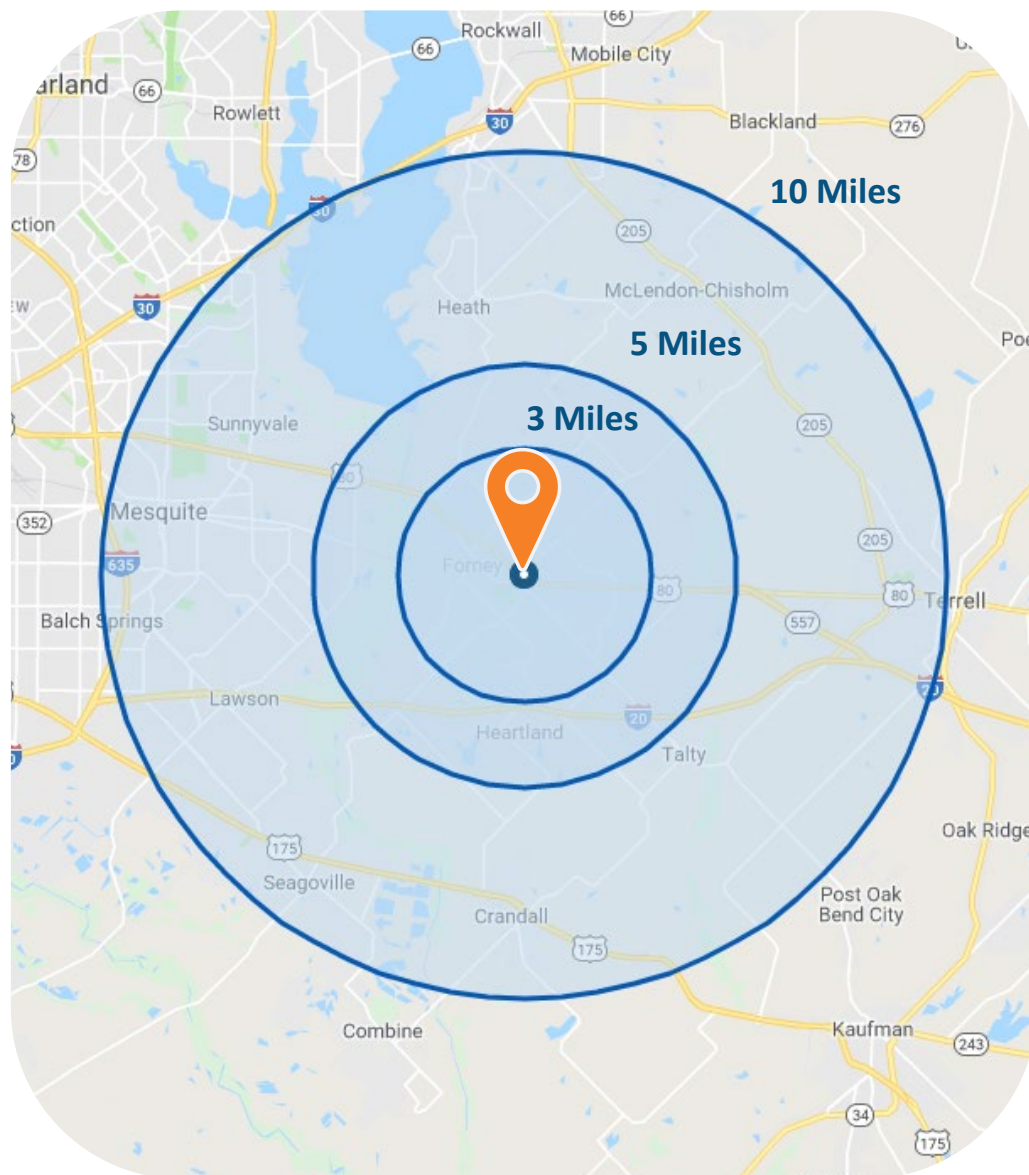






# Demographics

Property Address: 680 E. Highway 80 - Forney, TX 75126



**3 Miles    5 Miles    10 Miles**

## POPULATION

2023 Projection	32,339	56,793	267,224
2018 Estimate	26,885	46,338	244,720
2010 Census	20,922	36,529	205,947
2000 Census	7,109	12,274	151,386

## INCOME

Average	\$97,040	\$100,285	\$84,133
Median	\$81,663	\$84,437	\$63,624
Per Capita	\$30,441	\$31,391	\$27,493

## HOUSEHOLDS

2023 Projection	10,241	17,966	87,810
2018 Estimate	8,433	14,504	79,562
2010 Census	6,626	11,504	67,075
2000 Census	2,383	4,064	51,013

## HOUSING

2018	\$175,314	\$177,892	\$154,664
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## EMPLOYMENT

2018 Daytime Population	22,060	31,138	181,380
2018 Unemployment	2.92%	2.68%	4.24%
2018 Median Time Traveled	36 Mins	36 Mins	35 Mins

## RACE & ETHNICITY

White	76.54%	73.60%	61.76%
Native American	0.05%	0.05%	0.05%
African American	11.80%	14.14%	18.97%
Asian/Pacific Islander	1.84%	2.07%	3.38%





# Market Overview

City: Forney | County: Kaufman | State: Texas

*Dallas, Texas*

**Dallas** is the ninth-largest city and part of the fourth-largest metropolitan area in the nation, Dallas covers approximately 343 square miles and has a population exceeding 1,240,000. The ultra modern and sophisticated city attracts worldwide travelers, making the area the No. 1 visitor and leisure destination in Texas.

The Dallas-Fort Worth MSA has one of the largest concentrations of corporate headquarters for publicly traded companies in the United States. Dallas will remain a top destination for corporate relocations due to its business-friendly environment. Twenty-two Fortune 500 companies are headquartered in the metro, making it the third-largest concentration in the nation, including companies such as Southwest Airlines, A T&T, Texas Instruments and Exxon Mobil. The area also has one of the highest concentrations of privately held companies, with at least \$1 billion in annual revenues headquartered in the area. More than 10,000 national and international corporations maintain regional and subsidiary headquarters in the MSA.

Outdoor activities abound in Dallas as a result of the city's favorable location and climate. With seven major league sport teams, rodeo, NASCAR and marathons, the adrenaline is year round. Dallas has been named the #3 Sports Town in the nation by Sports Illustrated.. In addition to its large number of sport related activities, Dallas has more shopping centers per capita than any other city in the United States. Dallas is the third most popular destination for business travel in the United States, and the Kay Bailey Hutchison Convention Center is one of the largest and busiest convention centers in the country, at over 1,000,000 square feet and the world's single-largest column-free exhibit hall.

## Major Employers

EMPLOYER	# OF EMPLOYEES *
Walmart	2,071
Dallas Independent School Dst	1,087
Mesquite Specialty Hospital	1,009
Kroger	644
Dallas Regional Medical Center	601
Texas Regional Medical Ctr LLC	500
Lake Pointe Imaging Center	497
Onin Staffing LLC	425
Staff Support	322
Fci Seagoville	315
County of Dallas	310

# Information About Brokerage Services



## Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

### TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<b>Marcus &amp; Millichap</b>	<b>9002994</b>		<b>972.755.5200</b>
Licensed Broker / Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<b>Tim Speck</b>	<b>432723</b>	<b>Tim.Speck@marcusmillichap.com</b>	<b>972.755.5200</b>
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at [www.trec.texas.gov](http://www.trec.texas.gov)

IABS 1-0



### TX Broker of Record:

Timothy Speck  
 Marcus & Millichap  
 5001 Spring Valley Road, Suite 100W  
 Dallas, TX 75244  
 Tel: 972-755-5200  
 Fax: 972-755-5210  
 License: 432723



Marcus & Millichap

**EXCLUSIVE NET LEASE OFFERING**

Tim Speck  
Marcus & Millichap  
5001 Spring Valley Road  
Dallas, TX 75244  
Tel: 972-755-5200  
Fax: 972-755-5210  
License: 9002994



680 E. Highway 80 - Forney, TX 75126





Dated:

Don McMinn  
Marcus & Millichap  
1100 Abernathy Road, NE, Suite 600  
Atlanta, GA 30328

Phone: (678) 808-2762  
Fax: (815) 550-1286  
don.mcminn@marcusmillichap.com

**Re: 680 E. Highway 80 Forney, TX 75126 (Panera Bread)**

Dear Don:

Please accept this offer to purchase the above referenced Property. This letter expresses Purchaser's interest in purchasing the Property under the following terms and conditions:

**Purchaser** \_\_\_\_\_

**Purchaser's  
Address** \_\_\_\_\_

**Purchaser's  
Phone/Fax** \_\_\_\_\_

**Purchaser's  
Email Address** \_\_\_\_\_

**Offer Price** \_\_\_\_\_

**Earnest Money** \$25,000 earnest money deposit due within forty-eight (48) hours of the Effective Date of the Contract. The Earnest Money shall be increased to \$50,000 at the expiration of the Inspection Period and shall become non-refundable barring any other listed contingencies.

**Inspection Period** 21 Calendar Days from the Effective Date, which shall mean the date on which the latter of the parties executes a Contract. All available Due Diligence Documents ("Documents") will be forwarded immediately upon the Effective Date of the Contract.

Purchaser's Initials \_\_\_\_\_ Seller's Initials \_\_\_\_\_

**Financing Period**  
(Please Check One)

☐ **All Cash** (No Financing Period)

☐ **Financing:** Purchaser shall have ten (10) days from the Effective Date of the Contract to apply for and obtain a financing commitment. In addition, Purchaser shall have 30 days from the effective date of the contract to complete loan processing. Purchaser shall use its best efforts to secure and obtain a new first mortgage loan in the amount of \$\_\_\_\_\_ on terms which are acceptable to Purchaser.

**Closing Date**  
(Please Check One)

☐ **New Property:** Within 10 Calendar Days after rent commencement and receipt of tenant estoppel.

☐ **Existing Property** Within 10 Calendar Days after the expiration of the Inspection Period (or Financing Period if applicable).

**Closing Costs**

Seller shall pay for the transfer tax. Buyer shall pay for Title. Purchaser and Seller shall each bear its own attorneys expenses. All other Closing Costs shall be split 50-50 between Buyer and Seller.

**Property Condition**

Property is being sold "AS IS" with Seller making representations or warranties concerning the property.

**Contract within  
10 days:**

Within Ten (10) Calendar Days of the Effective Date of this Letter of Intent, Purchaser and Seller shall enter into a binding Contract (the "Contract"). Seller will Draft the Contract and Failure to reach an agreement will allow the Seller to consider this agreement void and accept offers from other parties.

**Broker Commission**

Purchaser acknowledges that Purchaser has employed \_\_\_\_\_, ("Purchaser's Brokers") to represent them in this transaction. Any commissions due the Purchaser's broker (if applicable) shall be paid by the Seller directly.

**1031 Exchange**

Purchaser ☐ is / ☐ is not (check one) completing an IRS 1031 Tax Deferred Exchange, to which the Seller agrees to cooperate providing there is no cost or expense to Seller. Purchaser has \$\_\_\_\_\_ in an exchange account from a transaction which closed escrow on \_\_\_\_\_. Purchaser will provide Seller, upon request, proof of such funds.

**Confidentiality**

Purchaser and Purchaser's agents and representatives hereby covenant with Seller that Purchaser and Purchaser's agents and representatives shall not, without the prior written consent of Seller (which consent may be withheld in Seller's sole and absolute discretion), disclose to any other person (other than Purchaser's

Purchaser's Initials \_\_\_\_\_ Seller's Initials \_\_\_\_\_

accountants and attorneys) or entity by any means whatsoever: (i) any information pertaining to the Documents; (ii) any information pertaining to the Contract; or (iii) any information or documentation (written or oral) provided by Seller or Seller's agents and representatives concerning Seller, Seller's business, Tenant, Tenant's business or the Property.

This Letter of Intent is contingent upon the prospective Purchaser's willingness to execute Seller's standard Purchase Agreement as well as review and approval of the details of the transaction proposed above by the appropriate principal parties of the Seller.

It is understood and agreed that the foregoing constitutes a *Letter of Intent* setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this *Letter of Intent*. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing accurately reflects our discussions, please acknowledge same by returning a signed copy of this letter. Execution of this Letter of Intent by the undersigned agent in no way binds or obligates the Seller or any of its principals.

**Agreed and Accepted | Purchaser**

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

Printed: \_\_\_\_\_

Dated: \_\_\_\_\_

**Agreed and Accepted | Seller**

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

Printed: \_\_\_\_\_

Dated: \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_ Seller's Initials \_\_\_\_\_