

[Date]:

TO: [Seller Name]:

From: [Buyer Name]:

Re: Letter of Intent to Purchase Secured Promissory Note

Dear [Name of Seller]:

This letter ("**Letter**") is intended to summarize the principal terms of a proposal being considered by [Buyer Name]: _____ ("**Buyer**") regarding its possible acquisition of that certain promissory note ("**Note**") currently held in favor of [Name of Seller]: _____ ("**Seller**"), any all security instruments and loan documents attendant to the Note recorded against the real property commonly known as [Address of Property]: _____, and all other documents evidencing the original loan, security interest, or other portions of the transaction.

The possible acquisition of the Note is referred to as the "**Transaction**" and Buyer and Seller are referred to collectively as the "**Parties**."

1. Acquisition of Assets and Purchase Price.

(a) Subject to the satisfaction of the conditions described in this Letter, at the closing of the Transaction, Buyer would acquire all rights, title, interest, privileges and appurtenances in and to the Note, together with the related mortgage loan documents and all rights and obligations under the documents contained therein.

(b) The purchase price for the Note, together with the related mortgage loan documents and all rights and obligations under the documents contained therein, shall be \$ _____ payable at closing.

(c) Buyer has calculated the Purchase Price on the basis of information currently known to Buyer and on the basis of the following assumptions:

(i) The material terms of the Note and associated documents, and the publicly available information regarding the secured property. Purchase Price payable at closing may be adjusted after Buyer's further inspection of property and due diligence as outlined elsewhere in this Letter.

2. Proposed Definitive Agreement. As soon as reasonably practicable after the execution of this Letter and after completion of Buyer's due diligence period, the Parties shall commence to negotiate a definitive purchase agreement (the "**Definitive Agreement**") relating to Buyer's

acquisition of the Note (together with the related mortgage loan documents and all rights and obligations under the documents contained therein), to be drafted by Buyer's counsel. The Definitive Agreement would include the terms summarized in this Letter and such other representations, warranties, conditions, covenants, indemnities and other terms that are customary for transactions of this kind and are not inconsistent with this Letter. The Parties shall also commence to negotiate ancillary agreements to be drafted by Buyer's counsel as necessary.

3. Conditions. Buyer's obligation to close the proposed Transaction will be subject to customary conditions, including:

(a) Buyer's satisfactory completion of full underwriting and due diligence of the borrower on the Note. Pursuant to this provision, Seller shall have the obligation to provide any and all financial records in his/her possession necessary for Buyer to evaluate the creditworthiness of the borrower on the Note, and Seller shall have the obligation to provide any and all records generated as part of the initial origination of the Note, and Seller shall have the obligation to provide any other documents or information requested by Buyer;

(b) Buyer's satisfactory inspection of the property, which may be performed by Buyer and/or any third party of Buyer's choosing. Accordingly, it is agreed and acknowledged that the obligations of the Buyer as set forth in this Letter are contingent upon Buyer's inspection of the Property. The Buyer shall have the right to conduct an inspection of the Property up to the Termination of this agreement as outlined in Section 7 of this Letter. The time and date of the inspection shall be at the option of the Buyer. In the event that upon completion of the inspection, the Buyer is not satisfied with the state of the Property, the Buyer shall notify the Seller of the unsatisfactory conditions and request the Seller to remedy the same, or Buyer may request for adjustment to the purchase price, or Buyer may unilaterally terminate the transaction in its entirety at its sole discretion without recourse.

(c) Buyer's acquisition of approval from all partners in Buyer's organization, [Name of Buyer's Company]: _____ and its related entities;

(d) The Parties' execution of the Definitive Agreement and any ancillary agreements;

(e) There being no material adverse change in the Note, results of operations, prospects, condition (financial or otherwise) or assets of the Note.

(f) Attention: Up until the execution of all conditions and documents necessary for the fulfillment and completion of this transaction, Buyer shall have the unilateral right to terminate this transaction for any reason, with or without good cause.

4. Due Diligence. From and after the date of this Letter, Seller will authorize Buyer and its advisors full access to the subject property, and any records, persons, or other information Buyer's indicates is necessary for its due diligence review. The due diligence investigation will include,

but is not limited to, a complete review of the financial, legal, tax, environmental, intellectual property and labor records and agreements of the Note and the underlying secured property.

5. Covenants of Seller. During the period from the signing of this Letter through the execution of the Definitive Agreement, Seller will and its affiliates will refrain from: (i) taking any action that would adversely impact the security interest, (ii) soliciting any other offers for the purchase of the Note, (iii) taking any action that would disturb the creditworthiness of the underlying borrower, or (iv) discussing any details of this transaction with unauthorized third parties. Further, Seller covenants to: (v) conduct the business of servicing the Note in the ordinary course in a manner consistent with past practice, and (vi) maintain the property and its relationship with the underlying borrower in good standing.

6. Exclusivity.

(a) In consideration of the expenses that Buyer has incurred and will incur in connection with the proposed Transaction, Seller agrees that until such time as this Letter has terminated in accordance with the provisions of paragraph 7 (such period, the "**Exclusivity Period**"), neither it nor any of its representatives, officers, employees, directors, agents, stockholders, subsidiaries or affiliates (the "**Seller Group**") shall initiate, solicit, entertain, negotiate, accept or discuss, directly or indirectly, any proposal or offer from any person or group of persons other than Buyer and its affiliates (an "**Acquisition Proposal**") to acquire all or any portion of the Note, together with the related mortgage loan documents and all rights and obligations under the documents contained therein.

(b) If within the Exclusivity Period, Seller does not execute definitive documentation for the Transaction reflecting the material terms and conditions for the Transaction set forth in this Letter or material terms and conditions substantially similar thereto, then Seller shall pay to Buyer an amount equal to the reasonable out-of-pocket expenses (including the reasonable fees and expenses of legal counsel, accountants and other advisors and whether incurred prior to or after the date hereof) incurred by Buyer in connection with the proposed Transaction, which amount shall be payable in same day funds on the day that is the first business day after the Exclusivity Period.

7. Termination. This Letter will automatically terminate and be of no further force and effect upon the earlier of (i) execution of the Definitive Agreement by Buyer and Seller, (ii) mutual agreement of Buyer and Seller, (iii) the date on which Buyer exercises its unilateral discretion and authority to terminate this transaction with or without good cause, and (iv) **[date]**: _____ . Notwithstanding anything in the previous sentence, paragraphs 6(b), 8, and 9 shall survive the termination of this Letter and the termination of this Letter shall not affect any rights any Party has with respect to the breach of this Letter by another Party prior to such termination.

8. GOVERNING LAW. THIS LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH INTERNAL LAWS OF THE STATE OF

WASHINGTON, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF WASHINGTON OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF WASHINGTON.

9. Confidentiality. This Letter is confidential to the Parties and their representatives and is subject to the following confidentiality terms: All non-public, confidential or proprietary information of Company ("**Confidential Information**") disclosed to Seller by Buyer, whether disclosed orally or disclosed or accessed in written, electronic, or other form or media, or otherwise learned by Buyer henceforth, and whether or not marked, designated, or otherwise identified as "confidential," is confidential and Seller shall be prohibited from disclosing said information to third parties. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section.

10. No Binding Agreement. This Letter reflects the intention of the Parties, but for the avoidance of doubt neither this Letter nor its acceptance shall give rise to any legally binding or enforceable obligation on any Party, except with regard to paragraphs 6 through **Error! Reference source not found.** hereof. No contract or agreement providing for any transaction shall be deemed to exist between Seller and Buyer and any of its affiliates unless and until a final definitive agreement has been executed and delivered.

If you are in agreement with the terms set forth above and desire to proceed with the proposed Transaction on that basis, please sign this Letter in the space provided below and return an executed copy to the attention of **[Buyer's Company]**_____.

Very truly yours,

[Buyer's Company]:

By: _____

Name:

Title:

Agreed to and accepted:

[Seller Name]:

By: _____

Name:

Title: