

[LETTERHEAD]

[date]

[insert name and address of Seller]

Re: **[insert property name]** Apartments, located at **[insert address]**, **[insert City]**,**[insert State]**
the "Real Property")

Ladies and Gentlemen:

Based upon our review of the information we have received to date, AEIOU Properties, LLC, a Delaware limited liability company ("Buyer"), is pleased to submit to you this non-binding letter of intent for the acquisition of the Property (as defined below) from the owner thereof (the "Seller"). The principal terms of this proposed acquisition (the "Acquisition") are set forth below:

1. Price. Buyer or an affiliate would pay \$**[insert amount]** (the "Purchase Price") for the Property (defined below). The Purchase Price would be paid in cash at the Closing (defined below). The Purchase Price would be subject to customary prorations, including for income, rent, expenses, security deposits and utilities.
2. Deposit. Upon execution of the Definitive Agreement (defined below), Buyer would deposit the amount of \$**[insert amount]** (the "Deposit") as an earnest money deposit with the title company. The Deposit would be fully refundable to Buyer if the Definitive Agreement terminates at the expiration of the Inspection Period (defined below) and apply to the Purchase Price (plus interest thereon) if the Closing occurs.
3. Description of Property. The Acquisition would include the Real Property, and leases, contracts, permits, plans, records, personal property and intangible property related to the ownership, use, operation and maintenance of the Real Property (together with the Real Property, collectively the "Property").
4. Title, Survey and Other Seller Deliveries. Seller would, at its sole cost and expense, provide a title commitment and survey of the Real Property, and records, plans, studies and other documents in its possession or reasonable control related to the Property. Seller also would permit inspections and studies of the Real Property by Buyer.
5. Definitive Agreement. Buyer and Seller shall, for a period of **[30]** days after the execution of this letter, endeavor to negotiate a definitive purchase agreement (the "Definitive Agreement") with respect to the Acquisition. The Definitive Agreement would contain customary representations, warranties, covenants and indemnifications.

6. Inspection Period. Buyer would have [60] days after the execution of the Definitive Agreement to conduct its due diligence review of the Property (the "Inspection Period").
7. Closing. The closing of the Acquisition ("Closing") would occur [30] days after the expiration of the Inspection Period, subject to customary closing conditions.
8. Exclusivity. For a period of [60] days after the execution of this letter, Seller shall not, directly or indirectly through any officer, director, employee, stockholder, agent, partner, member, manager, affiliate or otherwise (a) enter into any agreement, agreement in principle or other commitment (whether or not legally binding) relating to the acquisition or purchase of any or all of the Real Property, or any material portion of any of the other Property, or a change in control of Seller (a "Competing Transaction"), (b) solicit, initiate or encourage the submission of any proposal or offer from any person or entity (including any of its officers, directors, partners, members, managers, employees or agents) relating to any Competing Transaction, or (c) participate in any discussions or negotiations regarding, furnish to any other person or entity any information with respect to, or otherwise cooperate with, assist, participate in, facilitate or encourage, any effort or attempt by any person or entity to effect a Competing Transaction. Seller shall notify Buyer promptly if any proposal regarding a Competing Transaction (or any inquiry or contact with any person or entity with respect thereto) is made, and shall advise Buyer of the contents thereof (and, if in written form, provide Buyer with copies thereof).
9. Confidentiality. The terms and conditions of this proposal (including the identity of Buyer) are confidential and are not to be disclosed by Seller to anyone outside Seller other than to the Seller's legal counsel, lenders, investors and other agents and representatives who need to know such information in connection with the Acquisition. Subject to the requirements of applicable law, neither Seller nor Buyer shall make any news releases or any public disclosure with respect to the Acquisition without the prior consent of the other party, which consent shall not be unreasonably withheld [INSERT FOR PUBLIC COMPANY; provided, however, Buyer shall be permitted to make any disclosure required by law, including, but not limited to, those required by the United States Securities and Exchange Commission].
10. Broker's Fees. [ALTERNATIVE 1 – BROKER INVOLVED] Buyer and Seller each represent and warrant to the other that, except for [insert broker name] who has acted as Buyer's broker and [insert broker name] who has acted as Seller's broker (collectively, the "Brokers"), neither has engaged any person or entity to act as a broker or finder with respect to the Acquisition. The parties anticipate that, pursuant to the Definitive Agreement, Seller shall be responsible for the commissions of the Brokers as follows: [insert commission detail].

[ALTERNATIVE 2 – NO BROKER INVOLVED] Buyer and Seller each represent and warrant to the other that neither has engaged any person or entity to act as a broker or finder with respect to the Acquisition.

- 11. Professional Advisor Fees and Expenses. Except as set forth in paragraph 10, Buyer, on the one hand, and Seller, on the other hand, shall be solely responsible for any professional, broker or finder’s fees and expenses to which they may have separately agreed, including of their own legal counsel and accountants, with respect to the Acquisition.
- 12. Binding Effect. Paragraphs 8, 9, 10 and 11 of this letter are the only paragraphs of this letter which constitute a binding agreement among the parties. The other paragraphs of this letter are intended to create no legally binding obligations, express or implied, and in no way constitute any form of enforceable agreement, promise or commitment with respect to the Acquisition. No party shall have a duty to negotiate, express or implied, or any duty, express or implied, to reach or conclude any legally binding obligation or definitive agreement. It is understood and agreed that Buyer may elect to terminate negotiations at any time prior to execution of the Definitive Agreement for any reason whatsoever. No party shall be bound to the Acquisition until each party has executed a mutually acceptable Definitive Agreement with respect thereto.

Buyer is very interested in pursuing the Acquisition, subject to its execution of the Definitive Agreement and completion of its due diligence to its satisfaction pursuant to the terms contained within the Definitive Agreement. This letter is intended to reflect the current intentions of the parties and replaces and supersedes any prior letters or negotiations. Please evidence your agreement with the foregoing by executing this letter in the space provided below and returning it to me by fax by 5:00 PM Mountain Time on [insert deadline date]. If not received by that time, this letter shall automatically expire and be of no further force or effect. We look forward to working with you toward the successful completion of the Acquisition.

Very truly yours,

AEIOU PROPERTIES, LLC, a Delaware limited liability company

By: _____
 Name: _____
 Title: _____

Agreed and Accepted
[Insert Name of Seller]

By: _____
 Name: _____
 Its: _____