

# **COMMERCIAL REAL ESTATE COURSE FOR RESIDENTIAL REALTORS**

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### Credit to Sources:

Information and terms used in this presentation were gathered from multiple sources, including; The National Association of Realtors and the CCIM Institute.

# **COURSE OVERVIEW**

A 6-hour course designed to teach residential Realtors the basics of selling and leasing commercial real estate; opening the possibility of creating another income bucket for yourself.

# MY BELIEF SYSTEM

Anyone who has the burning desire to be successful selling residential and/or commercial real estate can be successful if they are willing to learn (through written materials and coaching/mentoring) and take the necessary, consistent actions steps to apply these lessons in the real world.

## **WHAT WE CANNOT DO**

Teach someone to be proficient at commercial real estate transactions in a six-hour course.

# WHAT THE COURSE WILL COVER

- I) An outline of the differences between residential and commercial real estate.
- II) Commercial real estate categories, property types, and classifications in addition to common commercial terms and their respective definitions so you can converse more confidently as a real estate professional.

III) An outline of the steps involved in representing:

- a) A buyer purchasing commercial real estate
- b) A tenant leasing commercial real estate
- c) An owner selling their commercial real estate
- c) A landlord / building owner leasing their commercial real estate

IV) Search portals to locate commercial real estate with an overview of each portal.

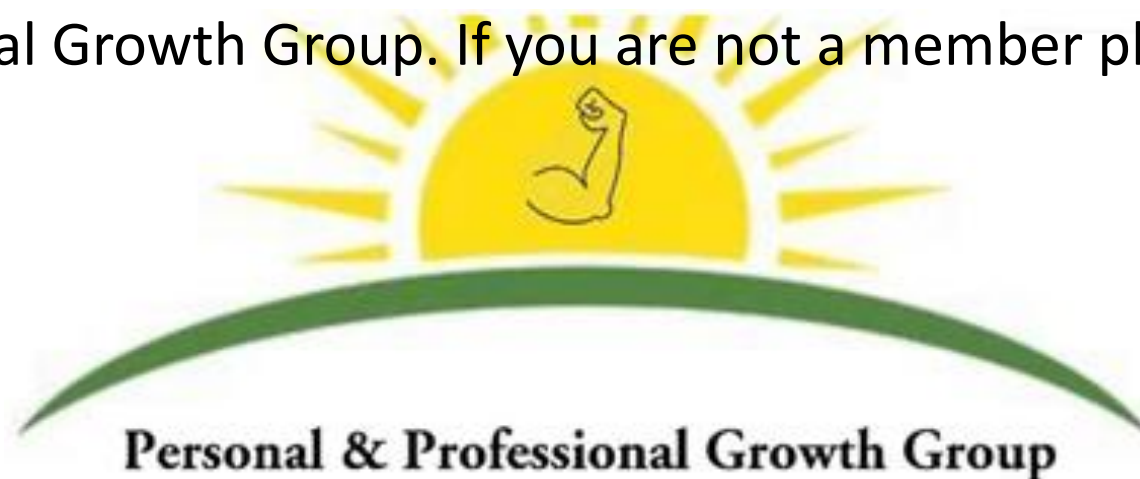
V) How value is established in commercial real estate.

- VI) How to prepare a Letter of Intent (LOI).
- VII) Financing commercial real estate.
- VIII) Commission calculations when you lease commercial real estate.
- IX) Marketing Commercial Real Estate.
- X) Timeline of commercial real estate transactions.
- XI) A list of things you need to do to protect yourself.

# COURSE SCHEDULE

Day	Time
Tuesday, May 19	9:30 – 11:00
Wednesday, May 20	1:00 – 2:30
Thursday, May 21	1:00 – 2:30
Friday, May 22	9:30 – 11:00

All classes are taught thru Zoom. The link to join can be found on our Facebook page : <https://www.facebook.com/groups/239656613749513/> Personal and Professional Growth Group. If you are not a member please join our group.



## Some Differences between Commercial and Residential Real Estate

- A) There is no comprehensive commercial MLS. As a result active, sold, and leased data is very difficult to locate.
- B) Without a MLS system to identify the commission being offered (and to protect that commission), an extra step needs to be taken to determine if a commission is being offered and to get an agreement in place.
- C) There is greater depth to the education required to understand and succeed in commercial real estate. You must be more mathematically adept to accurately analyze property values and properly advise clients.
- D) Location matters, but not nearly as much as it does for residential. Some people purchase investment property hours from their home as long as the numbers yield the right return.
- E) Commercial valuations are primarily based on the property's income. Residential valuations are primarily based on a comparative market analysis.

## Some Differences between Commercial and Residential Real Estate

F) Commercial transactions are, generally, less emotional. Clients are looking for a good Return on Investment (ROI). The focus is on data-driven analysis of the numbers, rent schedules, and insurance rates.

G) Commercial transactions take longer to close as the transactional process has more steps and significantly more paperwork.

H) There is a lower turnover rate with commercial properties as investors tend to hold on to their buildings for longer than people stay in their homes.

I) On average, a commercial transaction commission is larger than a residential transaction (sometimes dramatically larger), but they are less frequent.

J) Commercial real estate working hours are more structured. They are typically Monday - Friday and do not include evenings and weekends. The environment is more corporate in nature.

K) There is no universal system for scheduling commercial showings, like ShowingTime for residential showings. The buyer's agent should reach out to the listing agent directly.

L) Commercial real estate involves a great deal of confidential information. It is not uncommon to be asked to sign a confidentiality agreement.

## **Some Similarities between Commercial and Residential Real Estate**

- A) In Connecticut, both commercial and residential Realtors have to be actively licensed to practice real estate.
- B) Both have to follow the licensing rules, and, in particular, agency.
- C) Both must adhere to Fair Housing laws.
- D) In Connecticut, both commercial and residential Realtors have the same continuing education requirements

# MLS Search Instructions

- [www.ctreal.com](http://www.ctreal.com)
- Login
- Select Matrix
- Search
  - Commercial
- Set your parameters
  - Ex:
  - Price: 600-1000
    - You can leave minimum price blank and it will populate everything under your maximum price
  - City: Milford
  - Property Type: Business For Sale
  - Sub Property Type: Investment, Office, Residential Income, Retail
- Results
- Select all that match criterion
- Print
  - Client Full

## LoopNet Search Instructions

- **www.loopnet.com**
- Top middle of screen is the search bar
  - For Sale
  - Advanced Search
  - Property Types & Sub Types:
    - Multi Family
    - Retail
    - Shopping Center
    - Residential Income
    - Office
  - Property Use
    - Vacant/ Owner User Properties
    - Investment Properties
  - Country
    - United States
- States
  - Connecticut
- City
  - West Haven
- Price
  - Min \$: 600,000
  - Max \$: 1,000,000
  - You can leave minimum price blank and it will populate everything under your maximum price
- Search
- Click on each listing for details
- Print if it matches your criterion

## Join LoopNet

LoopNet offers a paid subscription product for those Customers who primarily utilize the Service to actively list and market commercial properties available for sale and/or for lease (“Premium Lister” or “Premium Lister subscription” or “Premium Subscription”). A Customer who purchases a Premium Lister subscription is a “Premium Customer.” Premium Subscription privileges are granted by LoopNet to individuals exclusively and extend solely to the subscribing Premium Customer. Premium Subscription rights cannot be assigned, sublicensed, distributed, shared, viewed, accessed, or otherwise transferred to anyone other than the subscribing Premium Customer. Moreover, a Premium Customer may not use a Premium Subscription for the benefit of any other broker, appraiser, researcher, analyst, sales person or similar commercial real estate professional, including, without limitation, those working for the same company or at the same place of business. A Premium Customer is prohibited from using Premium Lister to list properties on behalf of, or for the benefit of, other brokers or commercial real estate professionals working for the same company or at the same office. Such Customer of a Premium Lister subscription is permitted to list solely those listings for which he or she is the listing broker. Premium Subscription privileges are subject to change from time to time and may be subject to property listing, property searching, and member directory searching limitations.

## Join LoopNet (cont.)

Under Premium Lister subscription, one (1) through ten (10) Premium Listing plans are available for purchase online; higher Premium Listing plans are available for purchase by calling (855) 858-3782. Any listing on which the Primary Contact is a Premium Lister and is within its plan will receive Silver exposure; listings above plan will receive exposure on the Company's [www.costar.com](http://www.costar.com) site. Customer acknowledges that LoopNet (in addition to its other remedies) can cancel, not renew, and/or prohibit Premium Subscription privileges to any individual, organization, or group that does not abide by the terms and conditions set forth herein and/or can refuse any or all membership privileges. LoopNet also has the right to refuse service to any Customer or company that has delinquent charges that remain unpaid and to impose additional charges to reactivate Premium Subscription or other membership privileges. Premium Subscriptions continue to renew at the prevailing level regardless of Customer's listing activity on LoopNet.com. Premium Subscriptions will automatically renew to the credit card number provided for initial payment unless the Customer cancels their subscription on the LoopNet website prior to the renewal date to cancel such subscription. The Company reserves the right to change its fees, payment frequency, or billing methods at any time. The Company will provide timely notice of any such changes.

## CTCList Search Instructions

- [www.ctclist.com](http://www.ctclist.com)
- Login
- Search
  - Properties for Sale/Lease
  - Enter your criterion:
    - Location: West Haven, Milford
      - Must search each separately
      - Advanced search allows you to search multiple locations at one time
    - Property Types: Select all that apply
      - Office, Retail-Commercial, Shopping Center, Multi-Family
- Property Types: For Sale
  - Price
    - Min \$: 600,000
    - Max \$: 1,000,000
    - You can leave minimum price blank and it will populate everything under your maximum price
  - Search Listings
- Click on each listing for details
- Print if it matches your criterion

## Join CTCList

Membership for CTCList is handled by request. Become a member! Tons of features, no-nonsense pricing. Add listings, searchable across our nationwide network of commercial listings. Access 2x more property listings, create catalogs and saved searches. Receive alerts & notifications of posted needs/wants and recent activity. Create customized reports and brochures. Know right away when inquiries are generated for your listings. Access to local market statistics and export your data. JOIN CTCList today to receive all these benefits (and more!) of this great service. Please send membership inquiries to Gina Micelotta: [gmichelotta@gharonline.com](mailto:gmichelotta@gharonline.com). Cost is \$600 annually.

## CREXI Search Instructions

- [www.crex.com](http://www.crex.com)
- Login
- Select For Sale from the Top menu
- More Filters
- Enter Criterion:
  - Location
    - United States
    - Connecticut
    - Milford
    - West Haven
  - Price
    - Min \$: 600,000
    - Max \$: 1,000,000
- You can leave minimum price blank and it will populate everything under your maximum price
- Property Type
  - All
  - Narrow down options based on criterion
- Listing Status
  - Active Listings
- Apply Filters
- Click on each listing for details
- Print if it matches your criterion

# Join CREXI

CREXI has a free base membership. Leverage the power of CREXI's essential capabilities to expand the reach of your property listings and connect with more buyers. All the Essentials- Message with qualified leads. Get basic analytics on property activity. Utilize marketing tools to increase visibility. 100MB of due diligence documentation

## **Get GHAR Forms**

If you are not a member of GHAR, you can still access their forms for \$89 annually. Contact Zipforms and let them know you wish to add the GHAR library.

## **GHAR**

- Commercial Exclusive Right to Represent Buyer/Tenant Contract (B)
- Letter of intent to Lease Commercial Real Estate (C)

## **CTR**

- Commercial Exclusive Right to Sell/Lease/Exchange Agreement (D)
- Commercial Open Right to Sell/Lease/Exchange Agreement (E)

## **RMRC**

- Customized Commercial Exclusive Right to Represent Buyer/Tenant Contract (F)
- Customized Letter of intent to Lease Commercial Real Estate (G)
- Customized Letter of intent to Purchase Commercial Real Estate (H)
- Confidentiality Form (I)

# **Overview of Commercial Real Estate Terms**

# Overview: Ten Broad Categories or Property Types

- Multi-Family (Apartments) Property
- Office Buildings/ Office Space
- Retail Buildings/ Retail Space
- Industrial I Flexible Space
- Shopping Centers
- Senior Housing or Long-Term Care Facilities
- Business Opportunities
- Farm and Ranch Property
- Hospitality Property
- Vacant Developable Land

# Overview: Property Classifications

## Four Primary Classifications of Commercial Property

- Industrial / Flexible Space
- Multi-Family (Apartments) Property
- Office Buildings / Office Space
- Retail Buildings/ Retail Space

# Overview: Property Classifications Types and Classes

## Five Forms of Industrial Property

- Distribution Warehouse
- Flexible or Flex Space
- Manufacturing
- Research and Development
- Self-Storage

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# **Representing A Purchaser For Commercial Real Estate**

# **Commercial Real Estate Terms for Purchasing**

# Capitalization Rate or Cap Rate

Initial return from the acquisition of a real estate asset calculated by dividing net operating income (NOI) by the property sales price. For example, a property's capitalization rate (cap rate) is 10 percent if it is purchased for \$10 million and produces \$1 million in NOI during one year. The cap rate is typically calculated using the NOI generated in the first year of ownership, so investors can normalize and compare potential returns among competing investment properties.

A cap rate is used as a measure of a property's performance without considering the mortgage financing. If you paid all cash for the investment, how much money would it make? What's the return on your cash outlay? Cap rate is a standard used industry wide, and it's used many different ways. For example, a high cap rate usually typifies a higher risk investment and a low sales price. High cap rate investments are usually found in poor, low-income regions. A low cap rate usually typifies a lower-risk investment and a high sales price. Low cap rates are typically found in middle class to upper income regions. Therefore, neighborhoods within cities have a "stamp" on them their assigned cap rates.

That said, if you know what the NOI is, and you know the given cap rate, you can estimate what the sales price should be: sales price = NOI divided by cap rate. For example, if the NOI is \$57,230 and you want to make an investment into 9 percent cap properties, the price will be \$635,889 (57,230 divided by 9 percent). This is a good way to come up with your first offer price--- at the very least, it's a starting point.

Cap rate = net operating income divided by sales price.

$$R = \text{NOI} / \text{Sales Price}$$

# Cash Flow

Your annual cash flow is net operating income minus debt service. Positive cash flow is icing. When purchasing an apartment building containing more than five units (considered commercial), a bank's basis for lending is the property's cash flow capabilities. Your credit score is a lower priority than the cash flow potential. An apartment building with poor cash flow will almost always appraise much lower than its comparables for the area. You can also figure monthly cash flow by dividing your annual cash flow by 12:

Annual Cash Flow = net operating income - debt service

Monthly Cash Flow = annual cash flow divided by 12

# Cash-on-Cash Return

To find your cash-on-cash return, divide your annual cash flow by the down payment amount. If your down payment were \$20,000, how soon would your monthly cash flow add up to \$20,000? If your cash flow added up to \$20,000 in one year, your cash-on-cash return would be 100 percent. If it takes two years, your cash-on-cash would be 50 percent. If it takes three years, it would be 33 percent.

Cash-on-cash return= annual cash flow divided by down payment

## **Debt Coverage Ratio**

The debt coverage ratio-is the ratio of the net operating income to the mortgage payment. If net operating income is projected to change over time, the investor typically reports the first year's net operating income.

## **Debt Service**

Debt service is calculated by multiplying your monthly mortgage amount by 12 months:

Debt service = monthly mortgage amount x 12

## **Due Diligence**

The process of examining property, related documents, and procedures conducted by or for the potential lender or purchaser to reduce risk. Applying a consistent standard of inspection and investigation one can determine if the actual conditions do or do not reflect the information as represented

## **Gross Income**

Gross income is all of your income, including rents, laundry, vending machine income, and late fees. It can be your monthly or annual.

## **Letter of Intent (LOI)**

A letter of intent is an agreement(s) between two or more parties before an actual agreement, such as a lease, is finalized. It is similar to a term sheet or memorandum of understanding (MOU). While LOI's may not be binding, provisions of them can be, e.g., non-disclosure and exclusivity. The intent is to protect both parties in the transaction until the transaction is executed.

## **Net Operating Income (NOI)**

The potential rental income plus other income, less vacancy, reserves, and operating expenses. This term is one of the most important ones when analyzing any deal. The net operating income is the dollar amount that's left over after you collect all your income and pay out your operating expenses. This amount is what's used to pay the mortgage with. And what's left after you pay the mortgage is what goes into your pocket--your cash flow.

## **Return on Investment (ROI)**

A measure of the value created by a real estate investment. It is the difference between net gains from investing in the property and less the net cost from investing in the property divided by the purchase price of the property. Usually, it is reported as a percentage.

# 1031 Exchange or Like-kind Exchange

U.S. Internal Revenue Code Section 1031 permits the deferral of capital gains taxes on the sale of property held for investment or productive use in a trade or a business. With a 1031 exchange, property owners can sell their real estate and then reinvest the proceeds in ownership of a like of a like-kind property or several like-kind properties, thus deferring the capital gains taxes. The like kind exchange under section 1031 is tax-deferred, not tax free. When the replacement property is ultimately sold (not as part of another exchange), the original deferred gain, plus any additional gain realized since the purchase of the replacement property is subject to tax.

# Representing a Purchaser, Buying Commercial Real Estate Sequence

A

- A) Client identifies a want. An office building purchase between \$2M-\$3M with an 8% return, or greater, prior to debt service (mortgage) within a 45- minute drive from his home in Trumbull.
- B) Sign an Exclusive Buyer Representation Agreement. Ask if the purchaser is willing to pay your fee if you locate something that would be great for them when a commission is not being offered by the selling agent or the property is not on the market.
- C) Search CoStar, LoopNet, CREXI, CTC List (GHAR), SmartMLS, etc.
- D) Send an email to commercial practitioners relaying the need you have to see if they have any properties or off-market properties that fit the criteria.
- E) If there is an area in a given town that is of specific interest to my client, drive the area to look for "For Sale" signs by realtors or by owners to identify properties that look like they might fit the criteria.

## **Representing a Purchaser, Buying Commercial Real Estate Sequence (contd.)**

- F) Assemble properties and review what has been sent to me to see if they fit the criteria or if there is something else that may be of interest.
- G) If there is anything of interest, and it is not offered thru the MLS, I ask for written confirmation of the commission being offered.
- H) Request information on the property for my client. Ideally, I want a rent roll, a current P& L, and a site plan along with any marketing materials they have prepared. If I do not already have it, I again request written confirmation of the commission being offered. A signed co-broker agreement may be requested at this time.
- I) You may be asked to sign a Non-Disclosure (NOA) or confidentiality agreement, along with your client, prior to receiving any of the information mentioned above.

## **Representing a Purchaser, Buying Commercial Real Estate Sequence (contd.)**

- J) Pull the field card and the tax data card to see what can be learned about the property.
- K) Search the CONNCOMP database to see what properties have sold in the area in order to begin to start to understand comparable sales value.
- L) Tour the property with the client to determine how the client feels about the property. If there is interest, I then need to make sure I have an accurate rent roll. At a minimum, this will identify all tenants, lease dates, rent payments (including who is responsible for utilities, etc.), and if there are built-in increases in each lease.
- M) Prepare a current market value based on the existing income and expenses and a future value if there are vacancies based on a cap rate that is determined based on my understanding of the market.

## **Representing a Purchaser, Buying Commercial Real Estate Sequence (contd.)**

- N) If there is interest prepare a Letter of Intent (LOI) and submit it to the listing broker or owner. This depends on whether a listing broker is representing the seller.
- O) If the LOI gets accepted, we then go to a contract.
- P) Due diligence and the financing process start once the contract is fully executed.
- Q) During the due diligence period, physical inspections of the property occur, as well as, financial due diligence of the lease documents and tax returns on the property along with reviewing any environmental reports, etc
- R) If the buyer receives a financing commitment it will be subject to the appraisal which gets ordered once the lender has approved the Buyer's finances. This happens at this stage because commercial appraisals can be on average \$3,500-\$7,000 depending on the complexity of the sale.

## **Representing a Purchaser, Buying Commercial Real Estate Sequence (contd.)**

- S) A typical commercial appraisal takes 3-4 weeks.
- T) The closing occurs approximately 15 business days from the time the appraisal is returned and accepted by the lender.
- U) You get paid!

# Assignment

A) Client identifies a want. An office building between \$2-3M with an 8% return, or greater, prior to debt service (mortgage) within a 45- minute drive from his home in Trumbull.



**COMMERCIAL EXCLUSIVE RIGHT TO REPRESENT BUYER/TENANT CONTRACT**  
**Commercial Real Estate Council of the Greater Hartford Association of REALTORS®, Inc.**



1. **YOU (BUYER(S)/TENANT(S))** \_\_\_\_\_ give us  
**(BROKER)** \_\_\_\_\_ the exclusive right to  
 assist you to locate and PURCHASE, LEASE or EXCHANGE real property generally described as: \_\_\_\_\_  
 \_\_\_\_\_ (the "Property") during the period from  
 \_\_\_\_\_ to \_\_\_\_\_ inclusive.

2. **WE WILL** use diligent efforts to assist you to locate and PURCHASE, LEASE or EXCHANGE the Property through sources available to us, which may include direct contacts, broker contacts or multiple listing services.

The following paragraph is applicable if checked:

☐ You understand and agree that we may also be a seller's agent for the Property. In that event, we would become a dual agent, representing both you and the owner. As a dual agent, we would owe you and the owner a duty of fairness and honesty. Because we would not represent you exclusively, you cannot expect to have our undivided loyalty. As a dual agent, we may not reveal any confidential information which would provide a negotiating advantage to either party except as authorized by either party or required by law. If dual agency arises, we will promptly disclose all relevant information to you and give you any disclosure notices or consent agreements required by law, for your review and signature.

3. **YOU WILL** give us financial and other pertinent information about your real estate objectives and needs, be reasonably available to examine properties and otherwise cooperate with us. You authorize us to disclose your identity and financial and other information to assist you to locate and PURCHASE, LEASE or EXCHANGE the Property. You will work exclusively through us during the term of this Agreement and tell us about all past and current contacts with properties and brokers and any brokerage agreements currently in effect. You agree that we may represent other buyers who are interested in the same Property.

**NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER.**

4. **OUR COMMISSION** is:

PURCHASE, EXCHANGE or OPTION: \_\_\_\_\_% of the total Purchase/Exchange/Option price, or \$ \_\_\_\_\_. If you exercise an Option, you will pay us the Purchase/Exchange commission amount, minus any commission amounts paid to us for the Option.

LEASE (or other form of tenancy):

- a. Year \_\_\_\_\_ through \_\_\_\_\_: \_\_\_\_\_% of the total gross rent for this period of the lease/tenancy.
- b. Year \_\_\_\_\_ through \_\_\_\_\_: \_\_\_\_\_% of the total gross rent for this period of the lease/tenancy.
- c. Year \_\_\_\_\_ through \_\_\_\_\_: \_\_\_\_\_% of the total gross rent for this period of the lease/tenancy.
- d. Tenant's purchase of the Property: \_\_\_\_\_% of the total purchase price.
- e. Other: \_\_\_\_\_

f. The same commission schedule applies for enlargements, renewals, extensions, and modifications of the lease documents, with payment for same due and payable upon commencement of each enlargement, renewal, extension, or modification or execution of the document(s) of each such enlargement, renewal, extension, or modification, whichever first occurs.

g. Commission Override - In the event there is a commission payable to a listing broker, the commission schedule above shall be amended to reflect the commission split as follows: \_\_\_\_\_% to us, and \_\_\_\_\_% to the listing broker.

HOURLY FEE: \_\_\_\_\_, payable within 30 days of billing invoice date.

5. **WE EARN** our commission if and when you: (a) enter into a contract for the PURCHASE, LEASE or EXCHANGE of Property during the term of this Contract and all material conditions have been met or are subsequently met; or (b) PURCHASE, LEASE or EXCHANGE the Property during the term of this Contract; or (c) within one hundred eighty (180) days after expiration of this Contract you do any of the things described in the foregoing clauses (a) or (b) with respect to Property that we located for you during the term of this Contract.

6. **WE AGREE** to request our commission from the owner or listing agency. However, you agree to pay us all or any portion of our commission that is not paid through the owner.

7. **YOU WILL** pay us PURCHASE/EXCHANGE COMMISSIONS on or before the closing of the Property; OPTION COMMISSIONS at the execution of any option agreement; and LEASE COMMISSIONS at the execution of the lease document and as set forth in Paragraph 4f.

Buyer Initial \_\_\_\_\_ Date \_\_\_\_\_ Buyer \_\_\_\_\_ Date \_\_\_\_\_

8. **OTHER PROVISIONS:** \_\_\_\_\_

\_\_\_\_\_

9. **YOU AGREE** to defend and hold us harmless and pay any and all of our costs and damages (including any court costs and reasonable attorney fees) arising out of your negligent or intentional acts or omissions in connection with this Agreement or any lease or transfer of the Property, or out of any disputes with respect to any deposits paid by you and held by us in escrow. You also agree to pay our costs and expenses, including court costs and reasonable attorneys fees, in any successful action by us to collect our commission from you.

10. **NOTICE: THE REAL ESTATE BROKER MAY BE ENTITLED TO CERTAIN LIEN RIGHTS PURSUANT TO SUB-SECTION (d) (AND SUBSECTIONS e-q) OF SECTION 20-325a OF THE CONNECTICUT GENERAL STATUTES.**

11. **THIS AGREEMENT IS SUBJECT TO CONNECTICUT GENERAL STATUTES PROHIBITING DISCRIMINATION IN COMMERCIAL AND RESIDENTIAL REAL ESTATE TRANSACTIONS (C.G.S. Title 46a, Chapter 814 c).**

12. **THIS AGREEMENT** shall be binding upon the parties and their heirs, successors, assigns, and personal representatives; shall be interpreted under and governed by the laws of the State of Connecticut; and may be modified, waived or discharged only by an agreement in writing signed by all parties.

13. **BY SIGNING** this Agreement, you acknowledge receipt of a copy of it. You also represent that if the Buyer/Tenant is a partnership, corporation, limited liability company, or other legal entity that you are the duly authorized agent to execute this Agreement and that such partnership, corporation, limited liability company, or other legal entity is in existence and is empowered and authorized to enter into this Agreement.

14. **EXECUTION BY ELECTRONIC METHODS.** The parties agree that they may enter into this Contract (including any amendments hereto) via facsimile (fax) machine and/or email. This consent applies only to this transaction, and either party may withdraw such consent by fax or email or in writing, but such withdrawal will not affect the validity or enforceability of this Contract (or any amendments hereto) after it has been entered into. Faxing, and retention of and access to fax records, requires a fax machine or other appropriate fax technology. Email, and retention of and access to email records, requires a computer, internet account and email software.

**Broker elects to use:**

☐ Fax: Fax number is: \_\_\_\_\_

☐ Email: Email address is: \_\_\_\_\_

**Buyer elects to use:**

☐ Fax: Fax number is: \_\_\_\_\_

☐ Email: Email address is: \_\_\_\_\_

If any party changes its email address or fax number it will promptly notify the other party of the new email address and/or fax number.

Real Estate Brokerage Firm

street name & no.

city or town

state

zip code

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

Broker/Broker's Authorized Agent

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

**BUYER(S)/TENANT(S)**

(All Buyers/Tenants of record, if one or more individuals, must sign; if a partnership all partners other than limited partners must sign; if a corporation an authorized officer must sign; if a limited liability company then all members, a manager or an authorized member must sign)

1. Entity Name (if applicable): \_\_\_\_\_

General Partner/Duly Authorized Corporate Agent/Member/Manager/Individual

Date

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

Address: \_\_\_\_\_

street name & no.

city or town

state

zip code

2.

General Partner/Duly Authorized Corporate Agent/Member/Manager/Individual

Date

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

Address: \_\_\_\_\_

street name & no.

city or town

state

zip code

3.

General Partner/Duly Authorized Corporate Agent/Member/Manager/Individual

Date

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

Address: \_\_\_\_\_

street name & no.

city or town

state

zip code

## Search

C) Search MLS, CTCList, ConnComp, LoopNet, CREXI, CoStar, etc.

# MLS: Commercial Real Estate \$1M+ - Active and Closed

Status	Address	City	Present Use	List Price	Close Price	Sq Ft Total	Acres	DOM	Year Built	Close Date	Zoning
Active	240 Naugatuck Ave.	Milford	Restaurant/Banquet Hall/Club	\$ 1,050,000.00		7539	0.79	189	1900		CDD2
Active	56 Church Hill Rd.	Newtown	DDS Office, Aqua Enviro Lab	\$ 1,100,000.00		8360	0.58	465	1986		B-2
Active	1245 Stratford Ave.	Stratford	Auto repair shop and tire shop	\$ 1,100,000.00		11154	0.36	84	1948		RS-4
Active	3129-3145 Main St.	Bridgeport	Mixed Use Commercial	\$ 1,200,000.00		9952	0.29	99	1927		RA
Active	3101 Main St.	Bridgeport	Professional/Medical Office Bldg	\$ 1,290,000.00		13270	0.22	409	1915		RA
Active	77 Old Brickyard Lane	Berlin	warehouse, office	\$ 1,400,000.00		22864	19.85	3	1988		PI
Active	95 Armory Rd.	Stratford	Medical Office Building	\$ 1,450,000.00		8769	1.05	46	1968		RS-3
Active	743 Arctic St.	Bridgeport		\$ 1,490,000.00		9642	0.12	9	1904		RC
Active	945 North St.	Milford	Former Garden Center	\$ 1,600,000.00		20168	5.49	221	1967		RA
Active	590 Lordship Blvd.	Stratford		\$ 1,695,000.00		7960	1.08	93	1968		MB
Active	102 Berlin Turnpike	Berlin	Retail, restaurant, auto	\$ 1,899,000.00		2610	1.49	81	1930		BT-1
Active	353 Nichols St.	Bridgeport	Apartment Building	\$ 2,100,000.00		8550	0.13	175	1920		RC
Active	347 Nichols St.	Bridgeport	Apartment Building	\$ 2,100,000.00		3081	0.1	175	1909		R
Active	436 Pembroke St.	Bridgeport	Apartment Building	\$ 2,100,000.00		3537	0.05	175	1914		R
Active	729 Stillman St.	Bridgeport	Apartment Building	\$ 2,100,000.00		10146	0.21	175	1915		RC
Active	274 Beechwood Ave., Unit #8& others	Bridgeport	Multi Family homes	\$ 2,250,000.00		22891	0.69	39	1930		RB
Active	2 Riverside Rd.	Newtown	Restaurant & Church rental	\$ 2,400,000.00		45000	3.48	679	1998		SHDD
Active	450 New London Tpke.	Glastonbury	Commercial and MF- Res. Income	\$ 2,749,000.00		10916	3.01	499	1971		PBD
Active	3160 Park Ave.	Bridgeport		\$ 3,200,000.00		22180	3.6	14	1954		RC
Closed	41 Grassy Plain St.	Bethel		\$ 1,350,000.00	\$ 1,175,000.00	6877	0.25	71	1930	4/8/2020	C
Closed	101 Main St.	Newtown		\$ 6,500,000.00	\$ 5,200,000.00	130000	17.68	949	1967	4/8/2020	M-5
Closed	3 Trowbridge Dr.	Bethel		\$ 1,595,000.00	\$ 1,500,000.00	23712	3.29	350	1991	11/1/2019	IP
Closed	305 Knowlton St.	Bridgeport	Artist Studios, Catering, Etc.	\$ 1,450,000.00	\$ 1,450,000.00	40000	0.69	430	1885	10/17/2019	ILI
Closed	2285 Reservoir Ave.	Trumbull	Office/Warehouse/Light Indust	\$ 2,100,000.00	\$ 1,600,000.00	24856	2.79	174	1977	4/30/2019	I-L2
Closed	99-111 Cherry St.	Milford	Prof. Offices and Residential	\$ 1,550,000.00	\$ 1,075,000.00	14089	0.7	156	1828	4/4/2019	RO

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## CTCList: Commercial Real Estate \$1M+ - Active and Closed

Property Type	Status	Street Address	City/Municipality	State or Province	Postal Code	Asking Price	Sales Price	Land Size (Acres)	Building/Unit Size (RSF)	Year Built	Closed Date	Zoning
Vacant Land	Active	Sturges Road	Newtown	CT	6740	\$ 1,295,000.00		84				RESIDENTIAL
Retail-Commercial	Active	22 Stony Hill Rd	Bethel	CT	6801	\$ 1,620,000.00		1.02	3113			ROUTE 6 COMMERCIAL
Industrial	Active	15 Commerce Road	Newtown	CT	6470	\$ 1,975,000.00		2.33	24500	1973		M-5
Office	Active	2300 Main St	Glastonbury	CT	6033	\$ 2,350,000.00			9088	1820		
Industrial	Active	159 Grassy Plain Street	Bethel	CT	6801	\$ 2,495,000.00		3	35512	1984		INDUSTRIAL PARK (IP)
Vacant Land	Active	185 Plains Rd	Milford	CT	6461	\$ 2,800,000.00		13.26				
Industrial	Active	52-58 Connecticut Ave.	South Windsor	CT	6074	\$ 2,995,000.00			20000			
Farm/Ranch	Active	125 Plumtrees Rd	Bethel	CT	6801	\$ 4,750,000.00		47				R40
Industrial	Closed	101 South Main Street	Newtown	CT	6470	\$ 6,500,000.00	\$ 5,200,000.00	17.68	130000	1967	3/10/2020	M-5
Industrial	Closed	3 Trowbridge Drive	Bethel	CT	6801	\$ 1,595,000.00	Undisclosed	3.3	23712	1991	9/27/2019	IP (INDUSTRIAL PARK)

# ConnComp: Commercial Real Estate \$1M+ - Sold Properties – 1/01/19+

Address	Town	Sale Date	Sq Ft	Sale Price	Price Per SF	Type	Age	Zone	Acres	Floors	Vol/Pg
1239 & 1249 John Fitch Blvd	SOUTH WINDSOR	04/07/2020	23,498	\$ 1,425,000.00	\$ 61.00	IND/OFC/WH		I	3.86		2758/326
41 & 45 Grassy Plain St	BETHEL	03/25/2020	7,189	\$ 1,175,000.00	\$ 163.00	APT/OFC/RST/RTL		C	0.25		1118/1058
10 Rowe Ave	MILFORD	03/13/2020	36,576	\$ 4,060,000.00	\$ 111.00	HOT/MOT	1988	OD	4.83	4	3863/419
101 S Main St	NEWTOWN	03/11/2020	128,744	\$ 5,200,000.00	\$ 40.00	IND/WH	1967	M5	17.68	1	1139/334
2750 Main St	GLASTONBURY	03/05/2020	150	\$ 3,131,000.00	\$ 20,873.00	SVST	2011	CD	0.46	1	3617/297
199 White Oak Dr	BERLIN	02/19/2020	31,826	\$ 1,350,000.00	\$ 42.00	IND/WH	1988	Pi	2.37	1	766/917
185 Grassy Plain St	BETHEL	02/04/2020	74,212	\$ 1,500,000.00	\$ 20.00	IND/WH	1970	IP	20.67	1	1117/269
75 Merritt Blvd	TRUMBULL	02/03/2020	112,544	\$ 4,875,000.00	\$ 43.00	OFC	1988	IL3	5	3	1804/271
260 Chapel Rd	SOUTH WINDSOR	02/03/2020	33,772	\$ 1,930,000.00	\$ 57.00	GAR/WH	1969	I	4.59	1	2749/106
27 Glen Rd	NEWTOWN	01/29/2020	19,446	\$ 2,900,000.00	\$ 149.00	OFC	1850	M4	3.53	3	1137/426
75 Glen Rd	NEWTOWN	01/29/2020	64,426	\$ 6,200,000.00	\$ 96.00	OFC	1831	SHDD	13.2	3.7	1137/429
848 Farmington Ave	BERLIN	01/27/2020	23,986	\$ 1,250,000.00	\$ 52.00	OFC/RTL	2008	CCD	4	2.7	766/368
7120 Main St	TRUMBULL	01/22/2020	114,000	\$ 7,500,000.00	\$ 66.00	IND/WH	2004	IL2	10.1	1	1803/581
135 & 175 Sullivan Ave	SOUTH WINDSOR	01/16/2020	470,370	\$ 44,125,000.00	\$ 94.00	IND/WH		I	30.29		2746/47&9
230 Old Gate La	MILFORD	01/15/2020	43,929	\$ 4,250,000.00	\$ 97.00	GAR/TT/WH		ID	9.52		3856/350
9 Washington Pkwy	STRATFORD	01/14/2020	17,304	\$ 1,450,000.00	\$ 84.00	HOT/RST	1960	WF	0.65	2	4342/47
495 Lordship Blvd	STRATFORD	12/20/2019	292,738	\$ 5,500,000.00	\$ 19.00	IND/WH	1956	MB	18.69	1	4336/167
250 Research Dr	MILFORD	12/20/2019	24,700	\$ 7,450,000.00	\$ 302.00	TT/WH	1992	ID	6.45	1	3853/295

# ConnComp: Commercial Real Estate \$1M+ - Sold Properties – 1/01/19+

Address	Town	Sale Date	Sq Ft	Sale Price	Price Per SF	Type	Age	Zone	Acres	Floors	Vol/Pg
6911 Main St	STRATFORD	12/19/2019	70,576	\$ 15,750,000.00	\$ 223.00	APT/HLTH	1999	LBB	5.97	3	4335/200
302 Woodmont Rd	MILFORD	12/11/2019	17,773	\$ 3,200,000.00	\$ 180.00	OFC	2007	ID	3.77	1	3851/606
946 Ferry Blvd	STRATFORD	12/06/2019	9,406	\$ 1,600,000.00	\$ 170.00	RST	2003	CA	3.98	1	4331/248
82 Stony Hill Rd	BETHEL	12/02/2019	3,234	\$ 1,500,000.00	\$ 464.00	SVST	2016	RT6	0.89	1	1114/1142
153 South Main St	NEWTOWN	11/22/2019	39,436	\$ 3,750,000.00	\$ 95.00	OFC		M1	10.46	1	1134/178
16 Commerce Rd	NEWTOWN	10/30/2019	24,384	\$ 2,735,000.00	\$ 112.00	IND/OFC	1985	M5	2	1	1133/24
126 & 140 Greenwood Ave	BETHEL	10/28/2019	18,838	\$ 2,950,000.00	\$ 157.00	APT/BK/OFC/RST/RTL		VC	1.74		1113/951
230 & 272 Woodlawn Rd	BERLIN	10/28/2019	72,100	\$ 9,050,000.00	\$ 126.00	IND/WH		GI	9.28		763/396&4
1020 Bridgeport Ave	MILFORD	10/23/2019	7,679	\$ 2,652,720.00	\$ 345.00	CW/GAR	2005	CDD2	0.78		3844/122
3 Trowbridge Dr	BETHEL	09/30/2019	23,712	\$ 1,500,000.00	\$ 63.00	IND/WH	1991	IP	3.29	1	1112/832
64 Addison Rd	GLASTONBURY	09/27/2019	55,045	\$ 11,450,000.00	\$ 208.00	APT	1890	PE	2.88	3	3586/206
196 Berlin Tpke	BERLIN	09/04/2019	5,343	\$ 1,200,000.00	\$ 225.00	RST/RTL	1975	PSB	1	1	761/774
63-69 Plains Rd	MILFORD	08/28/2019	12,416	\$ 2,550,000.00	\$ 205.00	APT		CDD1			3835/691
45 S Satellite Rd	SOUTH WINDSOR	08/23/2019	50,000	\$ 2,050,000.00	\$ 41.00	IND/WH	1970	IP	3.62	1	2720/154
200 Long Beach Blvd	STRATFORD	08/13/2019	40,000	\$ 2,800,000.00	\$ 70.00	IND/WH	1971	MA	2.79	1	4297/34
705 Lordship Blvd	STRATFORD	08/13/2019	132,788	\$ 7,000,000.00	\$ 53.00	IND/WH	1965	CA	9.19	1	4297/28
111 Merritt Blvd	TRUMBULL	08/12/2019	16,478	\$ 3,567,686.00	\$ 217.00	DC/SP	2018	IL3	3	2	1792/475
432 Buckland Rd	SOUTH WINDSOR	07/23/2019	81,412	\$ 13,280,000.00	\$ 163.00	APT/HLTH	1999	GD	9.2	2	2714/149
77 Plains Rd	MILFORD	07/19/2019	91,207	\$ 13,690,000.00	\$ 150.00	APT/HLTH	1998	CDD1	4.33	3	3830/401
2750 Reservoir Ave	TRUMBULL	07/19/2019	110,747	\$ 17,120,000.00	\$ 155.00	APT/HLTH	1998	A	9.96	3	1790/831
2811 Hebron Ave	GLASTONBURY	07/11/2019	11,270	\$ 3,854,015.00	\$ 342.00	VET	1976	RR	6.07		3568/201
821 Woodend Rd	STRATFORD	07/02/2019	9,584	\$ 1,100,000.00	\$ 115.00	GAR/WH	1981	MA	5.57	1	4285/61
571 Nutmeg Rd	SOUTH WINDSOR	07/01/2019	68,177	\$ 3,900,000.00	\$ 57.00	IND/WH	1986	I	5.88	1	2711/54
480-498 Sherwood & 1126 Stratford	STRATFORD	06/28/2019	131,872	\$ 14,190,000.00	\$ 108.00	APT		RS3	4.51		4284/120&6

## ConnComp: Commercial Real Estate \$1M+ - Sold Properties 1/01/19+

Address	Town	Sale Date	Sq Ft	Sale Price	Price Per SF	Type	Age	Zone	Acres	Floors	Vol/Pg
455 Winding Brook Dr	GLASTONBURY	06/21/2019	89,766	\$ 12,200,000.00	\$ 136.00	OFC	2002	PE	11.18	4	3564/313
708 Boston Post Rd	MILFORD	06/14/2019	4,251	\$ 1,050,000.00	\$ 247.00	GAR/RTL		CDD1	2.03		3826/1
849 Boston Post Rd	MILFORD	06/11/2019	33,577	\$ 4,060,000.00	\$ 121.00	OFC	2010	CDD1	3.9	3	3825/318
831 Boston Post Rd	MILFORD	06/11/2019	13,756	\$ 1,930,000.00	\$ 140.00	OFC	2006	CDD1	1.15	2	3825/308
56 Commerce Dr	TRUMBULL	06/06/2019	16,338	\$ 2,100,000.00	\$ 129.00	OFC	1983	IL3	6.5	3	1787/291
638 Selbys Pond Rd	STRATFORD	06/05/2019	1,081	\$ 1,000,000.00	\$ 925.00	RECR	1954		0.57	1	4276/170
68 National Dr	GLASTONBURY	06/04/2019	28,920	\$ 2,635,000.00	\$ 91.00	OFC	1981	PE	3.5	2	3560/62
3 & 8 Paul St	BETHEL	05/28/2019	50,348	\$ 2,525,000.00	\$ 50.00	IND/WH		I	4.69		1107/821

# LoopNet: Commercial Real Estate \$1M+ - Active

	Property Address	Property Type	Property Sub-type	Building Size	Gross Leasable Area	Rentable Building Area	Price	Cap Rate
1	560 N Washington Ave	Industrial	Bridgeport			90,000 SF	\$6,000,000	
2	283 Sullivan Ave	Industrial	Bridgeport			33,850 SF	\$2,600,000	6.75%
3	743-749 Arctic St	Retail	Bridgeport		11,785 SF		\$1,490,000	
4	3160 Park Ave	Specialty	Bridgeport	22,180 SF			\$3,200,000	
5	140 Corporate Dr	Industrial	Trumbull			18,680 SF	\$1,995,000	
6	670 Wordin Ave	Land	Bridgeport				\$1,300,000	
7	159 Grassy Plain St	Industrial	Bethel			35,160 SF	\$2,495,000	
8	52 Connecticut Ave	Industrial	South Windsor			40,000 SF	\$2,995,000	8.35%
9	1651 Boston Post Rd	Retail	Milford		4,586 SF		\$6,050,000	5.00%
10	1085-1095 Main St	Retail	Bridgeport		42,400 SF		\$1,350,000	
11	948 Main St	Office	Bridgeport			39,000 SF	\$1,950,000	
12	102 Berlin Tpke	Land	Berlin				\$1,899,000	
13	952 Boston Post Rd	Retail	Milford		4,865 SF		\$1,100,000	
14	50 Stony Hill Rd	Land	Bethel				\$4,700,000	

# LoopNet: Commercial Real Estate \$1M+ - Active

	Property Address	Property Type	Property Sub-type	Building Size	Gross Leasable Area	Rentable Building Area	Price	Cap Rate
15	1297-1299 W Broad St	Land	Stratford				\$2,950,000	
16	270 Eastern Blvd	Industrial	Glastonbury			9,754 SF	\$1,050,000	
17	2928 Main St	Office	Glastonbury			27,365 SF	\$6,500,000	6.72%
18	180 Garfield Ave	Industrial	Stratford			18,280 SF	\$1,749,000	
19	2213 Main St	Office	Glastonbury			5,396 SF	\$1,075,000	
20	2300 Main St	Office	Glastonbury			9,088 SF	\$2,350,000	
21	1060 Main St	Health Care	South Windsor	31,744 SF			\$1,375,000	
22	25 Grant St	Industrial	Bridgeport			43,000 SF	\$2,100,000	
23	2714-2720 Fairfield Ave	Retail	Bridgeport		9,310 SF		\$1,335,539	7.70%
24	2909 Main St	Health Care	Stratford	21,462 SF			\$4,990,000	
25	945 North St	Land	Milford				\$1,600,000	
26	6388 Main St	Land	Trumbull				\$1,375,000	
27	825 Bridgeport Ave	Retail	Milford		9,100 SF		\$2,300,000	
28	2710-2720 North Ave	Office	Bridgeport			42,000 SF	\$2,900,000	
29	125 Plumtrees Rd	Land	Bethel				\$4,750,000	
30	129 Plumtrees Rd	Retail	Bethel		23,276 SF		\$4,750,000	

# LoopNet: Commercial Real Estate \$1M+ - Active

	Property Address	Property Type	Property Sub-type	Building Size	Gross Leasable Area	Rentable Building Area	Price	Cap Rate
31	252 Depot Rd	Industrial	Milford			53,002 SF	\$2,950,000	
32	40 Oakview Dr	Office	Trumbull			65,097 SF	\$5,750,000	18.40%
33	33 Church Hill Rd	Office	Newtown			6,428 SF	\$1,650,000	
34	5000 Main St	Office	Trumbull			8,500 SF	\$3,500,000	
35	45 Woodmont Rd	Industrial	Milford			28,385 SF	\$2,900,000	
36	382 Ferry Blvd	Land	Stratford				\$2,590,000	
37	135 E Washington Ave	Industrial	Bridgeport			13,179 SF	\$1,500,000	
38	670-680 Boston Post Rd	Multifamily	Milford	70,506 SF			\$8,450,000	6.00%
39	1224 Mill St	Office	Berlin			35,270 SF	\$2,950,000	
40	95 Armory Rd	Office	Stratford			10,000 SF	\$1,450,000	
41	57 Church Hill Rd	Industrial	Newtown			33,194 SF	\$2,600,000	
42	273 Greenwood Ave	Retail	Bethel		25,064 SF		\$3,300,000	7.80%
43	1645 Ellington Rd	Office	South Windsor			31,170 SF	\$4,300,000	
44	32 Henry St	Industrial	Bethel			360,000 SF	\$14,900,000	14.65%
45	30 Talbot Ln	Industrial	South Windsor			32,808 SF	\$1,500,000	
46	450 New London Tpke	Office	Glastonbury			10,916 SF	\$2,749,000	

## To: Commercial Brokers

I have a buyer who is looking to make an immediate purchase of up to \$3M in either Fairfield or New Haven County. Any type of use works as long as there is strong tenancy in place.

*Jeff*

Jeff Wright Broker Owner RE/MAX  
Right Choice Class of 1979, West Point  
105 Technology Drive  
Trumbull, CT 06611  
Office: 203.268.1118 Ext. 303  
Cell: 203-913-8836  
Licensed to practice real estate in the State of Connecticut and NY

**Constant Contact**

# Rent Roll

Rent Roll - 80 Ferry Blvd., Stratford, CT										
Unit	Tenant	Original Occupancy Date	Square Feet	Current Monthly Rent	Current Rent Per SF	Expiration Date	Rent Increases	Cleaning Incl. In Lease	Notes / Rent Increases Cont.	Renewal Options
	<b>TOTALS</b>		<b>30,795</b>	<b>\$42,264.97</b>				<b>\$620</b>	<b>\$453.79</b>	

# Expenses

NOTE: Gas & electric  
11 months actual  
1 month estimated

	Expenses Thru Dec 2016	Expenses Thru Dec 2017	Expenses Thru Dec 2018
Advertising	406	400	400
Accounting	1140	1200	1200
Legal	5325	0	0
Professional Fees	200	0	0
Bank Fees	290	300	300
Commissions	12000	0	0
Insurance	23400	23400	23400
Management Fee	18,900	20000	20000
Maintenance	23707	23000	23000
Elevator	3288	3300	3300
HVAC	21071	17000	17000
Landscaping	9115	8000	8000
Fire/Security	11440	5100	5100
Refuse Removal	9290	8400	8400
Cleaning	20000	20000	20000
Snowplowing	3084	3100 *	3100 *
Office Expense	22	0	0
Property Tax	90250	92650	92650
Sewer Tax	1242	1300	1300
Electric	70,000	**	**
Gas	11650	10600	10600
Water	4331	4000	4000
Entity Tax	250	250	250
	340401	242000	242000

**Current 2016	70,000
Estimated cost electric 2017	-11679
Estimated savings	58,321
Less Greenbank mortgage pay	-35,980
Increased cash flow & principal paydown on mortgage	22,341

## BROKER COOPERATION AGREEMENT

Listing Address

### Prospective Buyer:

1. This agreement between \_\_\_\_\_ (hereinafter referred to as "Listing Broker") and RE/MAX Right Choice (hereinafter referred to as "Cooperating Broker") constitutes an agreement to share the real estate brokerage commission to be paid by the Owner to Listing Broker for the sale of \_\_\_\_\_, (the "Property") if and only if said Property is sold to \_\_\_\_\_, or any entity or individual controlled by them or affiliated with them (hereinafter referred to as "Prospective Buyer").
2. Listing Broker agrees to pay Cooperating Broker, and Cooperating Broker agrees to accept as its full and only compensation from Owner in connection with the sale or proposed sale to Prospective Buyer, a fee of 1 % as a result of a sale transaction of the Property to the above-mentioned Prospective Buyer.
3. Cooperating Broker agrees that in no event shall Listing Broker be under any obligation or have any liability for the payment to Cooperating Broker of any commission or part thereof earned pursuant to this agreement unless and until Listing Broker has received the commission or any portion thereof from the Owner, pursuant to the Listing Agreement between Owner and Listing Broker and Listing Broker shall pay the Cooperating Broker any amounts due hereunder as and when received from Owner.
4. No commission shall be due if the contract of sale is not executed or subsequent to contract execution the seller willfully defaults, and a closing does not take place.

5. In the event Owner shall fail to pay Listing Broker the commission due Cooperating Broker hereunder then nothing contained herein shall be deemed a waiver of Cooperating Broker's right to proceed against Owner to collect same.
6. Cooperating Broker represents and warrants that it is duly licensed as a real estate broker in the State of New York and agrees:
  - a. To conduct all negotiations regarding the Property through Listing Broker-and to not contact the Owner of the property except through Listing Broker;
  - b. To show the Property to said Prospective Buyer only by prearranged appointment with and in the presence of Listing Broker and to refrain from advertising the subject Property;
  - c. To conform to state law and real estate regulations;
  - d. To present to Prospective Buyer the full and complete marketing package as provided and to not make any misrepresentation of a material fact to anyone with respect to the transaction contemplated hereunder. Cooperating Broker -agrees to indemnify and hold Listing Broker harmless from all claims, disputes, litigation or judgments arising out of any misrepresentation made by Cooperating Broker.
7. Cooperating Broker agrees to indemnify and hold \_\_\_\_\_, and the Owner, their successors and assigns, harmless from and against any and all liability, loss, cost, damage, or expense, including reasonable attorney's fees, arising directly or indirectly, in whole or in part, out of any claim, demand or proceeding for a real estate brokerage commission, finder's fee or other compensation made by any broker claiming to have dealt with Cooperating Broker or Prospective Buyer involving the sale of the Property, Cooperating Broker's liability pursuant to this paragraph shall be limited to the amount of commission actually received.

8. This agreement shall become effective upon its execution by both parties and shall continue until 2/27/2015. In the event that a contract of sale has been executed by Owner and Prospective Buyer on or before said date, this agreement shall continue in full force and effect until the closing of the sale to the Prospective Buyer.
9. Listing Broker represents and warrants that it is duly licensed as a real estate broker in the state of New York and that it has full authority from Owner to enter into this agreement.
10. This agreement constitutes the entire agreement between Listing Broker and Cooperating Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. No amendment, alteration, or withdrawal of this agreement shall be valid or binding unless made in writing and signed by both Listing Broker and Cooperating Broker. This agreement shall be binding upon the heirs, successors and assignees of the parties.

Dated: \_\_\_\_\_  
\_\_\_\_\_  
Authorized Signer

Brokerage Firm: RE/MAX Right Choice

Dated: 2/18/15  
Jeff Wright  
Cooperating Broker

# CONFIDENTIALITY AGREEMENT

I

Seller/Landlord: \_\_\_\_\_

Purchaser/Tenant: \_\_\_\_\_

Subject Matter: \_\_\_\_\_

In consideration of a disclosure of information relating to the above subject matter to be made by Seller/Landlord to Purchaser/Tenant, Purchaser/Tenant hereby agrees that the information is proprietary to Seller/Landlord, that such disclosure will be confidential, and that the disclosed information shall not be used nor duplicated nor disclosed to others, other than Purchasers/Tenant's attorney and/or accountant, without first obtaining Sellers/Landlord's written permission. Seller/Landlord may enforce this agreement by injunction or by an action for damages resulting from the breach of this agreement in any court of competent jurisdiction.

Purchaser/Tenant

Seller/Landlord

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

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

Signature

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

Signature

# 80 Ferry Boulevard, Stratford, CT



## Tax Property Agent - Full Public Record

### Public Record

#### Public Records & Tax Report

**80 Ferry Blvd., Stratford, CT 06615-6079**

Parcel Number: **368443**

Census Block: **1001**

Zoning: **CA**

Property Use Type: **Commercial / Commercial Building**

Assessor's APN: **50 8 4 10**

Census Tract: **080600**

Latitude: **41.188020**

County: **Fairfield**

Carrier Route: **C005**

Longitude: **-73.125462**



#### Current Ownership Information

Owner(s): **80 Ferry GL LLC**

How Related:

Owner's Address: **2874 Main St, Stratford, CT 06614**

Owner Occupied: **No**

#### Transaction Details

Type of Sale:

Closing Date: **07/03/2017**

Type of Deed: **Warranty**

Arms Length Sale:

Recorded: **Vol: 4092, Page: 234**

Sale Price: **\$2,700,000**

Nominal Sale: **No**

#### Most Recent Tax & Assessment Information

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Lot & Exterior

Lot Size in Acres:	<b>1.25</b>	Lot Size in Sq Ft:	<b>54,450</b>	Common Ownership %:
Type of Parking:	<b>Covered</b>	# of Parking Spaces:		

General Construction:

# of Buildings:	<b>1</b>	Building Style:		Year Built:	<b>1948</b>
Type of Construction:	<b>Concrete</b>	Building Condition:	<b>Average</b>	Last Major Renovation:	<b>1981</b>
Exterior Covering:	<b>Brick</b>	Type of Roof:	<b>Flat</b>	Roofing Material:	<b>Tar&amp;Gravel</b>
Type of Basement:		Heating System:	<b>Forced Air</b>	Heating Fuel:	<b>Nat'l Gas</b>

Building Size Information

Gross Building Sq Ft:	<b>42,572</b>	# of Units:	<b>7</b>	Unit is on Floor #:	
Living Area in Sq Ft:	<b>37,100</b>	First Floor Sq Ft:	<b>15,814</b>	Attic Area in Sq Ft:	
Basement Area in Sq Ft:		Unfinished Bsmt Sq Ft:		# of Floors:	<b>2</b>
# of Rooms:		# of Bedrooms:		# of Full Baths:	
# of Half Baths:					

Property Amenities

Number of Fireplaces:		Additional Amenity:	<b>Outbuildings</b>	Additional Amenity:	<b>Air Conditioned</b>
Additional Amenity:	<b>Elevator</b>	Additional Amenity:	<b>Covered Porch</b>		

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**NOTICE: The public records information contained herein is provided AS IS, without any warranty or guarantee as to its accuracy. Neither the data provider nor the SMARTMLS, Inc. shall be liable for the accuracy or utilization of such data. This report was generated on 05/13/2020 4:32:13 PM**

Location **80 FERRY BLVD**

Mblu 50/8 4/ 10/ /

Acct# 0575400

Owner 80 FERRY GL LLC

PBN

Assessment \$1,771,280

Appraisal **\$2,530,400**

PID 5928

Building Count 1

#### Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
<b>2019</b>	\$2,035,400	\$495,000	<b>\$2,530,400</b>
Assessment			
Valuation Year	Improvements	Land	Total
2019	\$1,424,780	\$346,500	\$1,771,280

### Owner of Record

<b>Owner</b>	80 FERRY GL LLC	<b>Sale Price</b>	\$2,700,000
<b>Co-Owner</b>		<b>Certificate</b>	
<b>Address</b>	31 UNDERCLIFF RD TRUMBULL, CT 06611	<b>Book</b>	4092
		<b>Page</b>	0231
		<b>Sale Date</b>	07/03/2017
		<b>Instrument</b>	00

### Ownership History

Ownership History						
Owner	Sale Price	Certificate	Instrument	Sale Date	Book	Page
80 FERRY GL LLC	\$2,700,000		00	07/03/2017	4092	0231
MARINA VIEW LLC	\$2,475,000		UNKQ	05/26/1998	1383	0102
GROUP 1 CAPITAL LTD	\$620,000		UNKQ	09/29/1994	1079	0122

## Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2019	\$2,035,400	\$495,000	\$2,530,400
2018	\$2,919,200	\$475,000	\$3,394,200
2017	\$2,919,200	\$475,000	\$3,394,200

Assessment			
Valuation Year	Improvements	Land	Total
2019	\$1,424,780	\$346,500	\$1,771,280
2018	\$2,043,440	\$332,500	\$2,375,940
2017	\$2,043,440	\$332,500	\$2,375,940

### Land Use

Use Code	340
Description	Off Bldg ⓘ
Zone	CA
Neighborhood	1
Alt Land Appr	No
Category	

### Land Line Valuation

Size (Acres)	1.25
Frontage	0
Depth	0
Assessed Value	\$346,500
Appraised Value	\$495,000

## Conn-Comp

### Stratford I Office Building Sales I January 1, 2019-May 13, 2020

Address	Town	Sale Date	Sq Ft	Sale Price	Price Per SF	Type	Age	Zone	Acres	Floors	Vol/Pg
3000 Main St	STRATFORD	3/11/2020	1,110	\$187,500	\$169	OFC	1925	RS4	0.1	1.6	4357/208
1136 Stratford Ave	STRATFORD	11/20/2019	3,816	\$380,000	\$100	APT/OFC/RTL		CA	0.37		4327/112
27 Nichols Ave	STRATFORD	10/17/2019	2,095	\$175,000	\$84	APT/OFC		RS4	0.12	2	4317/22
2261 Broadbridge Ave	STRATFORD	10/1/2019	2,886	\$405,299	\$140	OFC	1945	RS4	0.4	1	4311/243
971 East Broadway	STRATFORD	7/29/2019	1,776	\$295,000	\$166	APT/OFC	1900	RS4	0.18	1.7	4292/41
760 Honeyspot Rd	STRATFORD	4/1/2019	4,950	\$190,000	\$38	OFC/WH	1972	MA	0.35	1	4259/155
2381 Barnum Ave	STRATFORD	3/26/2019	4,184	\$364,500	\$87	OFC/RTL	1900	CA	0.1	1.5	4257/322
1675-1677 Barnum Ave	STRATFORD	2/21/2019	1,962	\$247,500	\$126	APT/OFC	2003	RM1	0.11	2	4249/290
2874 Main St	STRATFORD	1/10/2019	6,049	\$625,000	\$103	OFC	1969	CA	0.42	2	4240/307

80 Ferry Blvd. Stratford, CT

## Valuation

		2016	2 Vacant 2017	1 Vacant 2017	No Vac. 2017	No Vac. 2018
<b>Rental Income</b>		\$ 498,016	\$ 475,734	\$ 475,734	\$ 475,734	\$ 475,734
Unit 103	incl.		\$ -	\$ 25,281	\$ 25,281	\$ 25,281
Unit 104	incl.		\$ -	\$ -	\$ 24,016	\$ 24,016
<b>Gross Income</b>		\$ 498,016	\$ 475,734	\$ 501,015	\$ 525,031	\$ 525,031
Less: Vacancy/Credit Loss	5%	\$ (24,901)		\$ (12,525)	\$ (26,252)	\$ (26,252)
<b>Effective Gross Income</b>		\$ 473,115	\$ 475,734	\$ 488,490	\$ 498,779	\$ 498,779
<b>Operating Expenses</b>						
Operating Expenses		\$ 270,401	\$ 242,000	\$ 242,000	\$ 242,000	\$ 254,100
Less: Electric		\$ 70,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 11,000
<b>Total Expenses</b>		\$ 340,401	\$ 277,000	\$ 277,000	\$ 277,000	\$ 265,100
Reserves psf	\$0.30		\$ 9,319	\$ 9,319	\$ 9,319	\$ 9,319
<b>Total Exp &amp; Reserves</b>		\$ 340,401	\$ 286,319	\$ 286,319	\$ 286,319	\$ 274,419
<b>Net Operating Income</b>		\$ 132,714	\$ 189,415	\$ 202,170	\$ 212,460	\$ 224,360

<b>Valuation based on cap rate</b>	<b>7.5%</b>	<b>\$1,769,523</b>	<b>\$2,525,531</b>	<b>\$2,695,606</b>	<b>\$2,832,803</b>	<b>\$2,991,470</b>
	<b>8.0%</b>	<b>\$1,658,928</b>	<b>\$2,367,685</b>	<b>\$2,527,130</b>	<b>\$2,655,753</b>	<b>\$2,804,503</b>
<b>Footnotes:</b>						
Electrical cost assumption		\$70,000	\$35,000	\$35,000	\$35,000	\$11,000

2016 Op. Exp from Owner includes legal \$5325, commissions \$12,000, HVAC \$4k higher than 2017 forecast, fire & security \$6K higher than 2017 forecast

# My Email to the Listing Agent

\_\_\_\_\_ has authorized me to provide you with the following Letter of Intent.

His offer is based on the following:

- A) The current NOI with an adjustment for the HVAC/Electric increasing the NOI by \$15k
- B) Assuming the electric bill will drop 50% and that the lender will underwrite the loan with \$35k as an expense bs \$70k
- C) Two vacancies are in place ..... I do believe the win-win for both parties is for the seller to sign two five-year leases so the NOI will increase and the appraisal and loan amount will increase, and the buyer can and would be willing to pay a higher price.

If the seller provided owner financing in lieu of signing two five year leases the purchaser has to pay back the seller the amount borrowed in a much shorter period of time as the lender will not typically refinance after a short period of time and if they did it would require the buyer to incur another round of closing costs.

D) Based on a \$2.4M purchase price and a 5.25% over 25 years with 25% down the cash flow after paying the 2nd mortgage and assuming the electric drops to \$35k is a little over \$3200 a month which also makes the purchaser nervous as we all know buildings surprise us.

The purchaser prefers a 20 yr. amortization, but the increased payment would lower the monthly cash flow to \$1907 dollars which again concerns him.

E) I know there is depreciation associated with the 2nd mortgage, but the lender does not use that in underwriting and for the buyer it does not directly impact his building cash flow which is his first focus.

I would be happy to present other thoughts or options to \_\_\_\_\_ all with the hope that we can find a price and terms that work for both of you.

Thanks,

Jeff

Jeff Wright Broker Owner  
RE/MAX Right Choice Class of 1979, West Point  
105 Technology Drive  
Trumbull, CT 06611

# Letter of Intent – To Purchase Proposal

H

Dear

RE:

I have been authorized to present the following Letter of Intent to purchase the above referenced property. This letter outlines the terms under which Buyer will work toward executing a Purchase and Sale Agreement with Seller.

Both parties agree to use good faith efforts to expeditiously execute a Purchase and Sale Agreement by March 1, 2017. If a Purchase and Sale Agreement is not executed by March 1, 2017 this proposal and all negotiations may be terminated by either party by notice to the other. The Purchase and Sale Agreement will, among other things, contain the following terms and conditions:

## 1. BUYER:

\_\_\_\_\_ and his/her assigns

## 2. PURCHASE PRICE:

The total Purchase Price for the Property will be two million four hundred thousand (2,400,000) US Dollars

## 3. GOOD FAITH DEPOSIT:

At the execution of the Purchase Agreement by both parties, Buyer will deposit with the Escrow Holder the sum of fifty thousand Dollars (\$50,000) as a good faith deposit.

The Buyer's liability will be limited to loss of Deposit, but the Deposit will be refunded if the Contract is terminated,

(a)during the "due diligence period"; (b) because of defect in the Seller's title; or c) because of the occurrence of an adverse event (such as casualty, condemnation, or a discharge of hazardous substances on, onto or from the Property) before closing.

# Letter of Intent – To Purchase Proposal (cont'd.)

## 4. DUE DILIGENCE:

Buyer's due diligence will end 21 business days after contract signing, Buyer shall have the right to terminate the Purchase Agreement within this due diligence period for any reason whatsoever. If Buyer terminates the Purchase Agreement within the due diligence period, the deposit shall be returned to the Buyer.

The Contract will contain representations by the Seller, which representations will be true as of closing and will survive closing, as to a) the Seller having no reports regarding environmental or structural conditions at the Property that were not delivered by the Seller as part of its due diligence materials; (b) the Seller having received no notices of violation of planning, zoning, environmental or building laws that remain uncured as of closing; (c) the Seller being unaware of pending litigation that could affect the Seller's contract obligations or the Property; d) the Seller being unaware of any storage or discharge on, onto or from the Property of hazardous materials, solid waste or petroleum products, except as disclosed in the Seller's due diligence materials; e) the Seller being unaware of underground storage tanks at the Property, except as disclosed in the Seller's due diligence materials; and (f) the absence of tenants or persons having rights of possession in the Property except as permitted by the Contract.

## 5. MORTGAGE INFORMATION:

A) Mortgage: \$1,800,000

B) Term: 25 years

C) Commitment Date: 45 days from contract execution (Simultaneous with Due Diligence)

D) Appraisal Contingency: 28 days from the issuance of a loan commitment

# Letter of Intent – To Purchase Proposal (cont'd.)

## **6. BALANCE OF PURCHASE PRICE:**

The balance of the Purchase Price will be paid to Seller in cash at closing.

## **7. INSPECTIONS:**

During the 21-day due diligence period, the Purchaser shall have an opportunity to conduct or cause to be conducted whatever tests or inspections of the Property it wishes, all at the buyer's expense.

## **8. CLOSING:**

To occur within 15 business days from final mortgage commitment which is triggered by the Lenders acceptance of the appraised value

## **9. SELLER COVENANT:**

Without the prior written consent of Buyer (which shall not be unreasonably withheld) after the Purchase Agreement execution, Seller will not, except as required by law: (i) enter into any new lease agreement, extension, expansion, renewal, or any material modification, or any other form of commitment that will bind Buyer other than lease extensions, expansions or renewals that are required pursuant to the existing leases; (li)enter into any vendor or service agreement not cancelable as of the Closing; or (iii) allow any interest in the Property to be liened, encumbered or transferred.

## **10. COSTS AND EXPENSES:**

Buyer will pay costs of all due diligence.

# Letter of Intent – To Purchase Proposal (cont'd.)

## 11. CONFIDENTIALITY:

Buyer and Seller agree that the terms of this transaction are confidential, and neither will disclose, or permit employees or agents to disclose, the terms of this letter the Purchase Agreement except as reasonably necessary to complete the transaction or as required by law. All Property documents and information are, and shall be treated by Buyer, Its agents, employees and consultants as, confidential, and the Purchase Agreement will contain appropriate provisions relating thereto.

## 12. BROKER:

\_\_\_\_\_ Is the listing broker in this transaction and \_\_\_\_\_ is the buyer's broker. Buyer and Seller represent and warrant that neither has employed or deal! with any other broker or finder in connection with this transaction and each party will indemnify the other from and against all brokerage commissions and finders fees arising or resulting from acts or omissions of the Indemnifying party.

This letter is non-binding. It Is submitted in the interest of initiating exclusive negotiations with Buyer for the execution of a definitive, binding Purchase Agreement. Nothing contained in this letter Is intended to constitute an offer or be binding upon Buyer or Seller.

If the above is acceptable, please execute below.

Sincerely yours,

Jeff Wright Broker Owner  
RE/MAX Right Choice

# Letter of Intent – To Purchase Proposal (cont'd.)

AGREED AND ACCEPTED:

**Buyer:** \_\_\_\_\_  
  
\_\_\_\_\_  
Printed Name

**Date:** \_\_\_\_\_

**Seller:** \_\_\_\_\_  
  
\_\_\_\_\_  
Printed Name

**Date:** \_\_\_\_\_

# My Email to the Purchaser's Attorney and Mortgage Broker

From: jeffwright@att.net

Date: February 16, 2017 at 7:20:48 AM EST

To:

Subject: 80 Ferry Blvd

Good morning,

Our client reached an agreement last night with the seller<sup>1</sup>s of 80 Ferry Blvd, Stratford to purchase their building. Attached is the LOI we initially submitted. The details that have changed are as follows:

A) Purchase Price: \$2.7M

B) The seller will master lease the two vacant spaces for \$9 sf for a term of 3 years. The rate is a discounted market rate to incent Idilio to find tenants to replace the master lease. The seller's agent is in discussion with some potential tenants currently.

C) The sellers are \_\_\_\_\_ (who I know well) and \_\_\_\_\_.

D) The seller's attorney is \_\_\_\_\_ who I also know well.

E) The seller's agent is \_\_\_\_\_ and I know \_\_\_\_\_ also.

F) Two additional things to be aware of:

The seller very recently installed solar and LED lights thru a special tax credit program and \_\_\_\_\_ will assume the 10-year 2nd mortgage of \$400k plus .... Alissa is already aware of this and the current lender Peoples United of Massachusetts is very interested in providing the building financing for Idilio as they know the building well and they are aware of the seller signing a 3-year master lease ..... \_\_\_\_\_ is aware of this also.

I am about to board a plane and will be back in the office Monday ..... I am available by email, text or cell if necessary.

Have a good day,

Jeff

Jeff Wright Broker Owner  
RE/MAX Right Choice Class of 1979, West Point  
105 Technology Drive Trumbull, CT 06611  
Office: 203.268.1118 Ext. 303  
Licensed to practice real estate in the State of Connecticut and NY

# **Commercial Real Estate Contract**

# Representative Sections of a Commercial Real Estate Contract

1. Premises
2. Consideration
3. Deed
4. Closing
5. Fixtures; Leases
6. Title
7. Condition of Premises; Inspection Contingency
8. Mortgage Contingency
9. Time

# Representative Sections of a Commercial Real Estate Contract

10. Broker(s)

11. Apportionment

12. Risk of Loss

13A. Seller's Deliveries

13B. Buyer's Deliveries

14. Maintenance and Operations Until Closing

15. Delivery of Premises

16. Default

17. Master Leasing of Premises

# **Representative Sections of a Commercial Real Estate Contract**

18. Intentionally Omitted

19. Notices

20. Right to Withdraw

21. Assignment

22. IRS Reporting Compliance

23. Acceptance of Deed

24. Seller's Representations

25. Representations

26. Effect

# **Representative Sections of a Commercial Real Estate Contract**

- 27. Costs of Enforcement
- 28. Counterparts/ Facsimile/ Electronic Mail
- 29. Entire Agreement
- 30. Captions
- 31. Severability
- 32. No Prohibited Parties
- 33. Confidentiality
- 34. No Recording

## PURCHASE AND SALES AGREEMENT

AGREEMENT made as of the 10<sup>th</sup> day of \_\_\_\_\_ 2017 (the "Effective Date"), by and between \_\_\_\_\_ a Connecticut limited liability company (hereinafter referred to as the "Seller"), and \_\_\_\_\_ an individual (hereinafter referred to as the "Buyer"), or to his assignee, provided that such assignee is an entity in which \_\_\_\_\_ or any family member(s) of his hold(s) a controlling interest.

1. **PREMISES.** The Seller, in consideration of the purchase price hereinafter specified, hereby agrees to sell and convey, and the Buyer hereby agrees to purchase that certain parcel(s) of real Premises commonly known as \_\_\_\_\_ and more specifically described in Schedule A attached hereto, together with the buildings, structures and improvements located thereon (collectively, the "Premises"), subject to the encumbrances and exceptions to title set forth or referred to in paragraph 6(c) and Schedule B (legal description and exceptions, if any) attached hereto.

2. **CONSIDERATION.** The purchase price for the Premises is **Two Million Seven Hundred Thousand and 00/100 Dollars (\$2,700,000.00)** which the Buyer agrees to pay as follows:

(a) As the deposit before or upon the signing of this Agreement, receipt of which is hereby acknowledged, subject to collection (the "Deposit").

\$135,000.00

(b) Subject to adjustment as described in the immediately subsequent paragraph hereinbelow, upon the delivery of the deed by wire transfer.

\$2,565,000.00

TOTAL

\$2,700,000.00

The Deposit shall be paid to Seller's legal counsel (the "escrow agent"), who shall hold the same as escrow agent subject to the terms and conditions of the Escrow Agreement attached hereto and made a part hereof as Schedule C and release same to the Seller at the time of closing, or to the party entitled thereto under the terms of this Agreement upon sooner termination of this Agreement. In the event of any actual or claimed dispute regarding the Deposit, the escrow agent may commence an action of interpleader or similar proceeding and may deposit the Deposit with a court of competent jurisdiction, whereupon said attorney shall have no further liability or obligation with regard to said funds. There shall be no cost of the escrow agent to any party unless the parties give conflicting instructions to Escrow Agent or give notice disagreeing with Escrow Agent's intended course of action.

It is specifically understood and agreed that at closing, the Buyer shall tender to the Seller wired funds payable to the escrow agent, for the balance of the purchase price due at closing as set forth in this Agreement less the amounts of all mortgage payoffs. Additionally, the Buyer's attorney shall tender to the escrow agent separate cashier's, or bank, treasurer's or certified check(s) or make appropriate wire arrangements for payoff of the Seller's mortgage obligations.

At least one (1) business day before closing, for each mortgage payoff, the Seller shall provide the Buyer's attorney with written directions stating the name of the payee and the total amount of payoff together with a copy of the associated payoff statement(s), together with wire instructions if applicable.

# Sample Due Diligence Checklist

1. Most recent title policy
2. Building blueprints
3. All building service contracts
4. Building warranties and guarantees
5. Certificates of occupancies, licenses and building permits
6. Maintenance schedule for property and property equipment
7. ALTA survey
8. Environmental reports
9. All leases
10. Tax returns for the last 3 years

# Sample Due Diligence Checklist

- 11. Current insurance policy
- 12. List of all security deposits
- 13. List of all outstanding commissions due
- 14. Certified rent roll by unit number, tenant, original occupancy date, square footage, current monthly rent, current rent per square foot, expiration date, rent increases, renewal options
- 15. Declaration of covenants, conditions, restrictions, reservations and easements
- 16. Last 3 years of tax bills and any special assessments or incentives
- 17. Last 2 years of utility bills
- 18. Vacancy list over the last 3 years
- 19. Tenant Estoppel letters

# Sample Due Diligence Checklist

- 20. Last 3 years profit and loss statements
- 21. Historic and pending litigation
- 22. Employee wages and benefits
- 23. Property Management Agreement

# Environmental Assessments

A phase I ESA inspection is often required by lending institutions and is an integral part to many industrial and commercial real estate transactions. Put in simple terms, a Phase I ESA consists of document research and review, along with a site visit to determine if further investigation is advised from an environmental standpoint. Local government documents are reviewed to determine prior use of the land as well as surrounding areas. It also entails a very detailed site visit and analysis by a qualified professional. Finally a report is generated documenting the results of the research and site visit.

# Environmental Assessments

There are two other aspects to a Phase 1 that may come into play depending on what is found during the Phase 1 inspection and research. These are Phase 2 and Phase 3. As you might assume Phase 2 and Phase 3 are the more involved aspects of the environmental field. Phase 2 involves testing of the site such as coring into the earth and taking samples of the soil along with testing it to determine what is in the soil. The information during a Phase 2 will determine if the site warrants further investigation and/or to be remediated. If remediation is needed this is Phase 3.

**From:**

**Subject: 80 Ferry Boulevard – Environmental Questionnaire**

**Date:** May 16, 2017, 5:07 PM

**To:** jeffwright@att.net

Hello Jeff,

Can you please assist in having this questionnaire completed?

Goal is to send in advance of Friday AM inspection.

Please complete through No 19

I will provide Rent Roll

If you have any Municipal Documents on last page, please let me know.

Note, it is a Word Document, so can be completed within the document.

Let me know if you have any questions.

Best,

Please fill out and sign this questionnaire to the best of your knowledge for the Scientist's site visit. Email to \_\_\_\_\_ at \_\_\_\_\_ or fax to \_\_\_\_\_, for our report files, and keep the original to provide to the Scientist.

7.

Subject Property Name: 80 Ferry Blvd

Address: 80 Ferry Blvd Stratford CT

Subject Property Owner: \_\_\_\_\_ Purchase Date : \_\_\_\_\_

On-Site Property Contact: \_\_\_\_\_ Telephone: \_\_\_\_\_

FAX: \_\_\_\_\_ Email: \_\_\_\_\_

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Your Name and Title

Signature

Date

Additional plans and documentation (see page 4) must be forwarded to the site for the Scientist during the survey. For questions not applicable please respond "NIA." Attach additional pages if necessary. This questionnaire and your responses will be Included as an exhibit in the Environmental report. Accurate and full completion is critical to a timely completion of our reports, and timely Joan closing.

#### LOCAL JURISDICTIONAL INFORMATION

1. What is the property ID#, Lot and Block, or Township/Range ID#? \_\_\_\_\_
2. What is the legal Municipality or County that has jurisdiction over the property? Fairfield
3. What is the assessors file ID number and tax file JD number if available? \_\_\_\_\_

#### PROPER TY INFORMATION

4. What is the size of the subject property lot or lots, in acres? 1.25 acres

5. How many buildings comprise the subject property-? One building. \_\_\_\_\_
- a. If the property is a mall or large retail center, please confirm and list ownership of each building. \_\_\_\_\_
1. What is the gross and net rentable square footage of the building(s)? Gross 42,572 Rentable 37,100
6. What is the date of construction of the building(s)? When was the building(s) first occupied? \_\_\_\_\_
7. How many tenant spaces or apartments are at the Subject Property? 15 \_\_\_\_\_
8. Please list, to the best of your knowledge, any structural, water infiltration, mold, roof, plumbing, HVAC, Fire Alarm or electrical deficiencies or problems. \_\_\_\_\_
9. Please list any deficiencies noted during any Building, Fire or Health Department inspections in the last three years. \_\_\_\_\_
10. Please list the following utility providers:
- |                       |                                   |
|-----------------------|-----------------------------------|
| Water: _____          | Electricity: _____                |
| Sanitary Sewer: _____ | Storm Drainage: _____             |
| Trash Hauler: _____   | Natural Gas or Oil: _____         |
|                       | and, Frequency of Pick-ups: _____ |
11. Please attach a brief history of the property.

## **Environmental Site Assessment Pre-Survey Questionnaire**

1. Describe the current uses of the property noting tenant names and oil/chemical usage. \_\_\_\_\_
2. Describe the past uses of the property noting tenant names and oil/chemical usage. \_\_\_\_\_
3. (Y) (N) Has a previous environmental site assessment report been prepared for the property? If yes, for what reason? Can \_\_\_\_\_ have a copy? \_\_\_\_\_
4. (Y) (N) Has a subsurface investigation (Phase II) ever been conducted on the property, including soil sampling, groundwater sampling, or installation of groundwater monitoring wells? If yes, for what reason? What were the results? Can \_\_\_\_\_ have a copy of the report? Are there any groundwater monitoring wells currently located on the property? \_\_\_\_\_
5. (Y) (N) Has contamination been Identified at the Subject Property? Describe the nature of the contamination(i.e., source, media impacted, location, sampling, cleanup activities, regulatory status, etc.). Can \_\_\_\_\_ have copies of related documentation? \_\_\_\_\_
6. (Y) (N) Has a spill or surficial release occurred at the Subject Property? Describe the nature of the spill/surficial release (i.e., source, location, response/cleanup actions, regulatory status, etc.). Can \_\_\_\_\_ have copies of related documentation? \_\_\_\_\_
7. (Y) (N) Is the Subject Property listed with the USEPA and/or the state environmental regulatory agency as a contaminated site? If yes, please describe. Can \_\_\_\_\_ have copies of related documentation? \_\_\_\_\_
8. (Y) (N) Has there ever been previous sampling for Asbestos, Lead-Based Paint, Lead in Water, or Radon? If yes, please describe. Can \_\_\_\_\_ have copies of related documentation? \_\_\_\_\_

9. (Y) (N) Has there been any Asbestos or Lead-Based Paint abatement or Radon mitigation conducted at the Subject Property? Are there Asbestos and/or Lead-Based Paint Operations and Maintenance Plans for the Subject Property? If yes, please describe. Can \_\_\_\_\_ have copies of related documentation? \_\_\_\_\_
10. (Y) (N) Any known environmental liens, deed restrictions, or use limitations for the Property? If yes, please describe. \_\_\_\_\_ Can \_\_\_\_\_ I have copies of related documentation? \_\_\_\_\_
11. (Y) (N) Any permitted or regulated activities (Hazardous waste generator, air) on the Property? If yes, please describe. \_\_\_\_\_
12. (Y) (N) Are there any transformers or other electrical equipment, which may contain PCBs? If yes, please describe. Where are they? Who owns the transformer(s)? Who services them? \_\_\_\_\_
13. (Y) (N) Has an industrial or manufacturing operation, gas station, motor repair facility, commercial printing facility, dry cleaners, photo-developing laboratory, junk yard, landfill or waste, treatment, storage, disposal processing or recycling facility ever been located at or adjacent to the property? If yes, please describe". \_\_\_\_\_
14. (Y) (N) Are there any discarded drums, barrels or containers, construction debris, damaged or discarded automobile or industrial batteries, or pesticides, paints or other chemicals in Individual containers or drums of greater than five gallons or fifty gallons in aggregate located on the property? If yes, please describe. \_\_\_\_\_
15. (Y) (N) Have there ever been any waste storage or treatment lagoons, pits, ponds, or surface impoundments on the property? If yes, please describe \_\_\_\_\_

16. (Y) (N) Does the property have floor drains not discharging to a sewer? Septic System? If yes, please describe. \_\_\_\_\_
17. (Y) (N) Are there currently aboveground or underground storage tanks as the property? If yes, complete table.

Type of Tank	Size	Content	Installation Date	Spill/Leak Detection? Y or N
Above or Underground	gal			
Above or Underground	gal			
Above or Underground	gal			
Above or Underground	gal			

18. Are you aware of any information to indicate that the Subject Property was sold for substantially below its fair market value? If so, please provide an explanation: \_\_\_\_\_
19. Additional comments and/or pertinent information relevant to this Phase I ESA: \_\_\_\_\_

## Environmental Site Assessment Pre-Survey Questionnaire

### DOCUMENT AND INFORMATION CHECKLIST

Please provide the following information(as much as possible in electronic format) so the Scientist can proceed with the survey of the property.

A. Plans	B. Municipal Documents	C. Additional Information
<ul style="list-style-type: none"><li>▪ ALTA Survey or Site Plan</li><li>▪ Reduced scale Site and Building Plans</li></ul>	<ul style="list-style-type: none"><li>▪ Certificate of Occupancy</li><li>▪ Building Permit</li><li>▪ Copy of tax cards</li><li>▪ UST/AST Registrations</li></ul>	<ul style="list-style-type: none"><li>▪ Tenant Rent Roll</li><li>▪ Historical Uses</li><li>▪ Previous Due Diligence Reports</li><li>▪ Copy of most Recent Appraisal</li></ul>

### ACCESS REQUIREMENTS

At the time of the site visit the Consultant is required to gain access to all areas of the property. This Includes:

- All building interiors, including as applicable, common areas, lobbies, a representative sampling of offices, retail spaces, manufacturing or assembly areas, or apartments, community rooms, exercise rooms, pool areas, storage rooms, attics and basements, garages.
- All building perimeters
- All site amenities
- All building roofs, unless pitched asphalt shingles. This may require you to obtain and provide a ladder.
- All mechanical, electric, sprinkler, HVAC, utility, service, elevator, storage and equipment rooms

**Subject: RE: Notice for Request for Extension of Due Diligence Period**

Yes, through the close of business on Monday April 10.

**From:**

**Subject: Notice for Request for Extension of Due Diligence Period**

This is a Notice sent in accordance with paragraph 19 of the Purchase and Sales Agreement by and between \_\_\_\_\_ (as 11Seller") \_\_\_\_\_(as 11Buyer"), dated as of March 10, 2017 (the "Contract"). Defined Terms in the Contract have the same meanings when used herein. Buyer hereby requests an extension of the Due Diligence Period to 5pm on Monday, April 10, 2017. Buyer is completing its mechanical inspections next week. I am advised that both the Due Diligence and the mortgage application(s) are -going full guns.

Naturally, I am required to advise that if this extension request is not acceptable, then Buyer hereby terminates the Contract and is to be refunded the Deposit.

In accordance with paragraph 19 of the Contract, I ask that you confirm your receipt of this Notice.

Sincerely,

## Due Diligence Resolution

**To:**

**Subject:** Re: 80 Ferry Blvd.

Email is an accurate depiction of our agreement.

Thanks, Jeff

On Apr 19, 2017, at 3:58 PM,

I understand that our clients have reached a resolution of all outstanding inspections issues. The agreement is as follows:

- a. **Seller to give Buyer a \$35,000 credit at closing** to cover (1) window seal failure, (2) replacement of first floor air conditioning units, and (3) Dryvit repair.
- b. Prior to closing, Seller to repair a leak where the skylight meets the roof in the rear of the building. The roof is new<sup>1</sup> and this item will be covered under the existing roof warranty. However, the Seller will ensure that this work gets done prior to closing.
- c. This resolution terminates Buyer's rights under the 11 Due Diligence Period as articulated in paragraph 7 (b) of the Purchase and Sale Agreement between the parties dated March 10, 2017.

Please confirm the terms of this agreement let me know how you would like to document it.

Thank you.

# COMMERCIAL REAL ESTATE FINANCE TRAINING

**Definition of Commercial property: MF 5+ units, Mixed-Use, Office, Retail, Hospitality, Industrial, Special Purpose**

## **Property types most favored by Lenders:**

- Multi-family: most favored asset class. Considered safest and most recession proof
- Less favored by lenders - retail, office, hospitality, special purpose

## **Difference in qualification for commercial loan vs. residential loan:**

- Commercial real estate loans underwritten based on property cash flow. Borrower income considered 2<sup>nd</sup>
- Borrower's liquidity is important
- DSCR: Net Operating Income / Debt Service (P&I)
- Residential loans underwritten based on Borrower Income and Debt
- Loan-to-Value LTV must be at or below the maximum requirement. Multi-family is usually 70-75%. Retail and Office are usually 60-65% LTV

## **Typical down payment requirements; Loan-to-Value explanation:**

- 20-25%; Conservative Lenders require 30%; also, dependent on property type (multifamily, being the safest asset, is lowest at 20-25% down payment)
- A 20% down payment would be the same as a loan with 80% Loan-to-Value (LTV) based on the appraised value

## **How to Underwrite Commercial Loan - calculation of NOI based on actual "in place" income and expenses:**

- Based on current income & expenses. Does not consider future rent projections
- Break down operating expenses (taxes, utilities, repairs and maintenance)
- Apply market vacancy rate and management fee

Alissa J. Gaines, President  
Carlyle Financial, LLC  
(O) 203.571.1020 [ajgaines@CarlyleFinancial.us](mailto:ajgaines@CarlyleFinancial.us)

- DSCR: Minimum 1.25x for multi-family. More conservative for other asset types 1.30-1.35x. Hotels can be 1.50x

### **Required Debt Service Coverage Ratios (DSCR) - explain formulas and meaning:**

Net Operating Income (including vacancy % and management fee)

*Divided by:*

Mortgage Payment (Principal & Interest)

### **Preparation of Financing Package present to potential Lenders:**

- Summary of property, business plan, and loan request
- Property income & expenses
- Current property rent roll; explanation of tenant(s) in occupancy
- Borrower track record owning Real Estate
- Borrower Schedule of Real Estate Owned (SREO)

### **Loans are analyzed specific for the transaction, not always to standard lending program:**

- Many moving parts, including Owner's experience, property history, location, lease expirations (rollover), etc.

### **Timetable for closing:**

Typically, 45-60 days from request to closing. Can be accelerated if Purchase & Sale Agreement (PSA) requires earlier closing date. Borrower must have all documentation available.

- 1) Prepare Financing Package
- 2) Submit to potential Lenders
- 3) Lender issue Term Sheet/Letter of Interest (non-binding)
- 4) Review with Owner to select 1 Lender based on loan terms
- 5) Borrower signs Term Sheet, together with Good Faith Deposit to order 3rd party reports
- 6) Banker submits to in-house Underwriter to prepare internal presentation
- 7) Banker/Underwriter obtain approval from Loan Committee, subject to favorable 3rd party reports or obtain after receipt of 3rd reports
- 8) Lender issues Commitment Letter (binding)
- 9) Borrower/Owner signs
- 10) Process moves to closing; lender's attorney issues Closing Checklist to Borrower Attorney
- 11) Closing scheduled after receipt of all documentation

## Preliminary Questions to ask Perspective Commercial Clients

1. Property Owner
  - a. Name \_\_\_\_\_
  - b. Telephone Number \_\_\_\_\_
  - c. Property Address \_\_\_\_\_
2. Type of Property
  - a. Multi-Family \_\_\_\_\_
  - b. Mixed Use \_\_\_\_\_
  - c. Commercial
    - Retail, Office, Other \_\_\_\_\_
3. Investment: Yes / No \_\_\_\_\_
4. Owner Occupied: Yes / No \_\_\_\_\_
  - a. If so, describe Owner's business \_\_\_\_\_
5. Purchase: Yes / No \_\_\_\_\_
  - a. Purchase Price: \_\_\_\_\_
6. Refinance: Yes / No \_\_\_\_\_
  - a. Principal Balance: \_\_\_\_\_
  - b. Rate: \_\_\_\_\_
7. Property Income and expense

## **LOAN SUBMISSION CHECKLIST**

### **PROPERTY**

1. Description of building
2. Land Area
3. Parking
4. Pictures, include the property and immediate surrounding area.

### **BORROWING ENTITY**

1. Name of the entity that will own the property
2. Partners with ownership of 20% or more, provide
  - Personal Financial Statement - provide own OR form attached
  - 2 yrs. Personal Tax returns
  - Background of each partner describing business and real estate experience

### **PROPERTY FINANCIAL INFORMATION**

1. Rent Roll - provide own OR form attached
2. Operating Expenses for the Property
  - a. Real Estate Taxes
  - b. Insurance
  - c. Utilities, detailed breakdown
  - d. Other expenses

### **OWNER OCCUPIED PROPERTY**

1. 2 yrs. Business Tax Returns

### **LEGAL**

1. Purchase and Sale Contract

# Comparison of Loan Proposals

80 Ferry Boulevard, Stratford, CT Acquisition Financing			
COMPARISON OF LOAN PROPOSALS			
Lending Institution	Lender 1 - Credit Union Nutmeg State Federal Credit Union	Lender 2 - Bank Bankwell	Lender 3 - Bank Essex Savings Bank
Interest Rate	Option 1: 10 yr. Fixed 5.50% Option 2: 5yr Fixed starting at 4.625% Reprices at FHLBB 5 year Classic Advantage + 2.25%	Float to Close - Rate will be fixed 240 bps over 5-Year Treasury. 4.45% Floor. Fixed - 4.50% for 5 years	Option 1 - 10-Year - 5.375% Fixed Option 2 - 5-Year - 4.375% Fixed
Other	<u>Account Requirements</u> >Business Checking/Savings Accounts must be moved to Credit Union >All operating expenses to flow through Nutmeg Accounts.	<u>Account Requirements</u> Property Operating Account to be held at Bank	<u>Interest Rate Reset</u> Option 1 (10yr) - 5.375% - Adjusted 10th & 15th Anniversary Option 2 (5yr) - 4.375% - Adjusted 5th, 10th, & 15th Anniversary
Prepayment Penalty	None	5-1 Stepdown	5-1 Stepdown
Third Party Due Diligence	Appraisal, Environmental	Appraisal, Environmental, Property Condition Assessment	Appraisal, Environmental
Origination Fee: Lender	0.50% of Loan Balance	0.50% of Loan Balance	\$5,000 Origination Fee
Broker Fee: Silverthread Capital	1.00% of Loan Balance	1.00% of Loan Balance	1.00% of Loan Balance
Comments	Relationship Discount - Rate above 0.25% relationship for bringing over personal deposit and checking relationship to CU. Must be used as primary financial institution through the life of the loan.		Deposit Relationship - Strongly Encouraged

# Mortgage Changes

Loan Date	Interest Rate	Payment	Payment Change
• 11/6/2007	6.625%	\$19,125.08	
• 11/6/2012	3.76%	\$14,406.88	↓ \$4,718.20
• 11/6/2017	4.41%	\$15,424.03	↑\$1,017.15

# Bank Loan Proposal

April 12, 2017

Mr. \_\_\_\_\_

RE: LLC to be determined - \$2,025,000 Commercial Mortgage Loan

Dear Sirs:

Bank (the "Bank") is pleased to provide you with the following summary of terms and conditions for a [loan type] to the Borrower, as defined below. The proposed terms and conditions contained herein are provided for discussion purposes only and in no way constitute an offer, agreement, or legally binding commitment to lend. The actual terms and conditions upon which the Bank might extend credit are subject to the satisfactory completion of underwriting due diligence, credit committee approval, satisfactory review of documentation, and other such terms and conditions as are determined by the Bank or its counsel in their sole discretion.

**Borrower:** TBD

**Guarantor(s)** \_\_\_\_\_ and \_\_\_\_\_, joint and severally

**Loan Amount:** \$2,025,000 based upon the lesser of 75% of the appraised value or cost of the property and an amount sufficient to provide a minimum 1.25x Debt Service Coverage Ratio ("DSCR").

**Term:** 10 years with three five-year renewal options.

**Float to Close:**

The Rate will be fixed three (3) days prior to loan closing at a rate equal to a spread of 240 basis points added to weekly average yield on United States Treasury securities adjusted to a constant maturity of 5-years, the ("TCMI Index") as made available by the Federal Reserve Board, subject to a floor of 4.40% (if applicable). The TCMI Index can be found at the following URL: (<https://www.federalreserve.gov/releases/h15/>)

Fixed: Fixed at 4.50%. The Bank may adjust the fixed rate as a result of a significant change in the interest rate market. A significant change is defined as movement, up or down, of at least 15 basis points as measured by the weekly average yield on United States Treasury securities adjusted to a constant maturity of 5-years, the {"TCMI "Index") used in this transaction, as made available by the Federal Reserve Board. If, 3-days prior to loan closing, the TCMI Index plus the defined spread is either up or down by 15 basis points or more from the initial fixed rate quote, the interest rate will be reset to the then current TCMI Index plus the spread. The TCMI Index can be found at the following URL: (<https://www.federalreserve.gov/releases/h15/>) If the 5-year renewal options are exercised the Interest Rate will reset for the applicable reset period 5-years at 250 basis points over the then 5- Year TCMI Index available 30-days prior to the renewal option. At no time will the interest rate be lower than 4.45%, the Floor Interest Rate.

**Amortization:**

25 years

**Commitment Fee:**

.5% (\$10.125 based upon the proposed Loan Amount)

<b>Collateral:</b>	First mortgage on a 31,064 office building located at 80 Ferry Blvd, Stratford, CT and a UCC Lien on the building fixtures.
<b>Loan Type:</b>	Commercial Mortgage
<b>Purpose of Loan:</b>	To finance the purchase of the collateral property
<b>Prepayment Fee:</b>	5% in year 1, 4% in year 2, 3% in year 3, 2% in year 4 and 1 % thereafter including renewal period. No fee will be charged for prepayment 90 days prior to any rate renewal period.
<b>Tax Service Fee:</b>	\$100 - This fee will cover the cost of the Bank's outside firm to track the payment of real property taxes for the life of the loan.
<b>Covenants:</b>	<ol style="list-style-type: none"><li>1) Loan to Value not to exceed 75%, at closing</li><li>2) Maintenance of a debt service coverage ratio ("DSCR") of at least 1.25x during the term of the Loan, to be tested annually.</li></ol>
<b>Appraisal:</b>	Appraised value of the property "as is" in an amount of not less than that required for a 75% Loan to Value. The appraisal shall be ordered and completed by a firm approved by the Bank with such costs to be paid for by the Borrower.
<b>Environmental:</b>	The Loan will be subject to a review of a current environmental Phase I report and/or an updated environmental database search/transaction screen, the cost of which will be paid for by the Borrower.

- Property Condition Assessment:** The Loan will be subject to a review of a current Property Condition Assessment ("PCA") by a **bank-approved consultant**, the cost of which will be paid for by the Borrower.
- Flood Notice:** If a Flood Determination concludes that the Premises are located in a Special Flood Hazard Area, Borrower must provide satisfactory evidence of acceptable flood insurance prior to closing.
- Financial Statements:** The Borrower shall provide the Bank with **annual audited financial statements** within 120 days of fiscal year-end, and tax returns within 30 days of filing. The Guarantors shall provide personal tax returns within 30 days of filing, and annually within 120 days of fiscal year-end signed and dated personal financial statements including any contingent liabilities. All financial statements shall be in form and substance satisfactory to the Bank.
- Operating Accounts:** The Borrower's operating accounts are to be maintained with the Bank during the Loan term.
- Secondary Financing:** No secondary financing permitted without Bank's prior written consent.
- Due on Sale:** The Loan shall become due and payable In the event of any sale, conveyance, transfer or further encumbrance of the Borrower's property, or change in the Borrower's ownership structure without the Bank's prior written consent.
- Closing Date:** The Loan shall close on or before June 30, 2017.

**Other:** Borrower shall provide the Bank with the following information:

- A copy of Borrower's articles of incorporation, operating agreement
- copies of all leases
- copies of any previous appraisal, environmental or physical inspection reports
- Such other financial and property information as may be reasonably requested by the Bank.

This term sheet and proposed financing arrangements described herein are delivered to you with the understanding that neither this letter, nor the substance of this letter, shall be disclosed to anyone outside your organization, except those who are in a confidential relationship to you.

If you are in agreement with the terms of the transaction as described in this letter, please sign and return a copy of this letter by April 21, 2017 along with a check in the amount of \$15,000 ("Good Faith Deposit") to indicate your desire to proceed with the application for credit.

The Good Faith Deposit will be applied toward the Bank's third party reports, and if your request for a loan is not approved, any amounts remaining will be refunded. If the Loan is approved, the Good Faith Deposit will be applied as a credit towards the commitment fee and other closing costs upon acceptance by the Borrower. In the event that a Loan is approved substantially in accordance with the above referenced terms and conditions, and not accepted by the Borrower within the required time period, then the Good Faith Deposit shall be retained by the Bank as liquidated damages.

**THIS APPLICATION IS NOT A COMMITMENT OR AN OFFER TO MAKE A LOAN BY \_\_\_\_\_.** The terms and conditions outlined in this letter are presented for a limited time only and shall expire on April 21, 2017 if not confirmed by the Borrower and returned to \_\_\_\_\_ with all required fees and information by that date.

**Disclosure of Rights:** If your application for business credit is denied by the Bank, you have a right to a written statement of the specific reasons for the denial. To obtain this statement, please contact \_\_\_\_\_, within SO-days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30\_days of receiving your request for the statement.

I look forward to working with you on this matter. Please do not hesitate to contact me at \_\_\_\_\_ if you have any questions.

Sincerely,

Vice President

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is: FDIC Consumer Response Center, 1100 Walnut Street, Box #11, Kansas City, MO 64106.

I/We grant to \_\_\_\_\_ permission to obtain a credit report or other information on any or all of the undersigned. I/We acknowledge receipt of a photocopy of this application including the Disclosure of Rights listed above.

The foregoing is accepted by:

**BORROWER NAME**

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

\_\_\_\_\_  
Date:

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

\_\_\_\_\_  
Date:

Each of the undersigned accepts the terms of this application and agrees to the joint/several guarantors in the event that a loan is extended pursuant hereto:

**GUARANTOR(S):**

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

\_\_\_\_\_  
Date:

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

\_\_\_\_\_  
Date: