

TERM SHEET

This nonbinding Letter of Intent ("LOI") constitutes a term Sheet regarding a proposed project between the Zionsville Redevelopment Commission and its affiliated entities (collectively, the "RDC"), and Jaffe Realty Company, LLC, or its assigns ("Purchaser", and together with the RDC, the "Parties"). The Parties acknowledge the purpose of this Term Sheet is to memorialize the Parties' understanding with respect to potential terms of a mutually acceptable Development Agreement (as further defined herein) to plan and develop the Project described herein.

1. **SELLER:** Zionsville Redevelopment Commission ("RDC")
2. **PURCHASER:** Jaffe Realty Company, LLC ("Purchaser")
3. **PROPERTY:** Creekside Lot 3
4. **PROJECT:** The RDC owns property in the Town of Zionsville ("Town") that is commonly known as the Creekside Office Park ("Creekside"), which the RDC has invested significant resources to construct roads, utility connections and other infrastructure to support the commercial development of Creekside. Creekside is platted as a series of numbered lots. Purchaser is interested in developing a single or multi-tenant commercial project (the "Project"). The RDC is willing to convey Lot 3 in Creekside (the "Property") to Developer for use in the Project upon the conditions contained in this Term Sheet.
5. **PURCHASE PRICE:** Purchase price for the Property shall be \$156,000, payable in cash or equivalent at Closing. Subject to the Purchaser's due diligence, providing that the Property is free and clear of all liens and encumbrances, subject to any Permitted Encumbrances, all as will be further defined in the Development Agreement. "Permitted Encumbrances" shall mean: (a) the lien of real estate taxes that are not delinquent; and (b) any other exceptions to title that: (i) do not affect the Purchaser's ability to develop the Project; and (ii) that are agreed to in writing by Purchaser prior to the expiration of the Due Diligence Period.
6. **EARNEST MONEY:** \$15,000 to be deposited in escrow with Near North Title Company, as escrow agent and title company for this transaction, within five business days of the execution of a purchase agreement. The Earnest Money shall be credited against the Purchase Price at Closing. The Earnest Money shall be refundable during the Due Diligence Period and at any time for a breach of the Purchase Agreement by RDC.
7. **DUE DILIGENCE PERIOD:** A period of 180 days from the execution of a Development Agreement to inspect the Property and perform customary

due diligence, including but not limited to soil analysis, surveys, and environmental analysis to determine whether Buyer desires to purchase the Property; provided, however, (i) Purchaser's right to perform its standard due diligence reviews and investigation of the Property is at its sole cost and expense, and (ii) in order to be granted access to the Property, Purchaser needs to have a sufficient commercial general liability insurance policy (\$1M/occurrence, \$2M aggregate) and name the RDC as an additional insured.

8. CLOSING CONDITIONS:

Purchaser's obligation to purchase the Property shall be expressly contingent upon the satisfaction of the following: (a) Purchaser's acceptance of the geotechnical, environmental, site, and survey conditions of the Property; (b) Purchaser's ability to obtain necessary approvals, including but not limited to site plan approval, proper zoning, and all governmental permits required for the intended use; (c) Purchaser's acceptance of all leases, licenses, or easements, if applicable; (d) general inspection and due diligence with respect to the Property; and (e) Purchaser's ability to obtain construction financing for its intended project.

9. CLOSING:

Closing shall occur within 30 days of the expiration of the Due Diligence Period. Purchaser shall have one (1) option to extend Closing for an additional 60 days upon: (a) providing written notice to Seller; and (b) depositing an additional \$7,500 as Earnest Money for the extension.

10. ACCESS:

Subject to satisfying the conditions provided in Section 7, Purchaser may at all reasonable times and with prior notice, enter upon the Property to examine the Property and obtain soil samples and perform any other applicable tests and investigations. Purchaser will restore Property to its original condition to the extent reasonably possible.

11. DELIVERY OF PREMISES:

Seller will deliver the Property to the Purchaser by general warranty deed free and clear of all liens and encumbrances, subject to any Permitted Encumbrances, and subject to any other warranties as mutually agreed upon by RDC and Purchaser in the Development Agreement.

12. CLOSING COSTS:

Escrow fees, title examination, and closing fees shall be paid in full by the Purchaser. Real estate taxes and assessments shall be proportionally paid based on the number of days each party owns the Property, in accordance with local custom. Purchaser shall be responsible for (i) the cost of the owner's title insurance policy and premium in the amount of the Purchase Price, and (ii) the cost of any lender's policy and additional endorsements.

13. SELLER DOCUMENTS:

Within three days of the execution of the Development Agreement, RDC shall provide Purchaser with all documents related to the Property, including but not limited to any prior surveys, title insurance commitments, environmental assessments, geotechnical assessments, leases, licenses, easements, and any other documents related to the condition of the Property (to the extent each are in its possession).

14. EXCLUSIVITY:

Seller agrees that during the 90 days following the execution of this Term Sheet (the "Exclusivity Period") and during any period that a Development Agreement shall be in effect for the Property between the Purchaser and RDC, RDC shall not offer or otherwise discuss the sale of the Property or its agreement with Purchaser with any other potential purchaser.

15. ACCEPTANCE:

Time is of the essence and all attempts will be made to review and respond to this LOI within a reasonable time.

16. BROKERAGE:

6% brokerage fee to be paid to Marc Jaffe as Purchaser's broker, with such fee to be paid by Purchaser. Notwithstanding the foregoing, the Brokerage Fee will be paid by Purchaser in addition to the Purchase Price, and in no event will the RDC be liable for such Brokerage Fee.

17. COMMISSION FEES:

Purchaser acknowledges and agrees that in connection with considering and investigating the Project, and if applicable, the Development Agreement, the RDC will incur certain reasonable costs, expenses, fees, and charges, including, without limitation, costs, expenses, fees, and charges with respect to the employment of legal counsel (the "Commission Fees"). The RDC has agreed to consider investigating the Project on the condition that Purchaser commits to pay (or reimburse) the RDC for all Commission Fees incurred by the RDC, in an amount not to exceed \$25,000, which shall be further memorialized by the Parties through a certain agreement (the "Reimbursement Agreement"); provided that the Purchaser shall not be required to reimburse the RDC for the Commission Fees upon a failure to close that is caused solely by a RDC default under the Purchase Agreement.

18. NON-BINDING:

This Term Sheet sets forth the understanding of the Purchaser and Seller with respect to the purchase and sale of the Property and is not a purchase agreement. Neither Purchaser nor Seller shall be bound by this Term Sheet as it relates to the purchase of the Property until such a time as a purchase agreement is fully executed between the parties. Neither Purchaser or the RDC shall have the right to recover

monetary damages of any kind, including direct, indirect, consequential, punitive, special or exemplary damages against a breaching party for their breach of any obligation contained within this LOI, as the Parties intend that the remedies for such breach shall be limited to declaratory action or another form of equitable relief that does not involve the recovery of damages or *lis pendens* or other statutory or common law liens against the Property. This LOI shall automatically terminate at the end of the Exclusivity Period without any further action required by either Party.

17. AUTHORITY:

The RDC's signatory certifies that he or she is properly authorized as a representative or agent of the RDC to execute this LOI. The Purchaser's signatory certifies that he or she is properly authorized as a member, employee, representative, agent, or officer of Developer to execute this LOI. This LOI can be executed via electronic means in one or more counterparts.

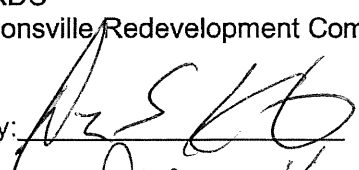
[Signature page to follow.]

Accepted and agreed to by:

SELLER:

"RDC"

Zionsville Redevelopment Commission

By: 

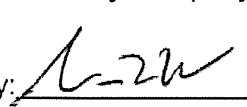
Printed: DERON KINTNER

Title: President

PURCHASER:

"Purchaser"

Jaffe Realty Company, LLC

By: 

Printed: Marc N. Jaffe

Title: President/owner