



## INFLEX HOMEVESTORS LLC

### LETTER OF INTENT TO PURCHASE REAL PROPERTY (CASH OFFER)

Date: 11/16/2022

This is an official Letter of Intent to purchase the property in its current “as-is” condition located at 800 Jurgens Street, Clearwater, FL 33755 (MLS# T3404892) for all-cash.

Contained herein is the price as well as the terms and conditions:

**Offer Price:** \$160,000.00

**Consideration (Earnest Money Deposit):** \$500.00

**Close of Escrow (on or before):** Thirty (30) Calendar Days after the signing of the Purchase / Sale Agreement.

**Inspection Contingency:** Ten (10) Calendar Days after the date of the signing of the Purchase / Sale Agreement.

**Closing Title/Escrow/Attorney:** The Seller agrees to close with the Buyer’s title company of choice.

**Closing Fees to Be Paid By:** The Buyer

**Offer Acceptance Deadline:** This offer expires two calendar days at midnight from the date depicted above.

**Other Terms:**

- Assignability: The Buyer may assign and thereby be released from liability clause must be selected in the Purchase and Sale Agreement.
- The Seller must provide the Tenant / Landlord Lease Agreement or in lieu of that, must provide proof of the monthly rental value received.
- Earnest Money Deposit to be paid within Five (5) Calendar days after offer acceptance.
- Proof of Funds (POF) **to be provided once the price and terms & conditions have been agreed to** and before the official agreement is signed.



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- If the property is currently occupied, the seller agrees to give the Buyer access to property with 24 hours' notice. If property is currently vacant, the seller agrees to give the buyer unrestricted access via a contractor lockbox.
- Title must be free and clear, and a Warranty Deed provided.
- Counteroffers may be accepted.

Gilon, let me advise on how I came up with my offer price. As an Investor, I can either buy the property as-is, repair it and then flip it or buy it and rent it. Since there is a tenant in there until June 2023, I would have to keep the property until such time as the tenant leave. For this to make financial sense, I would need to get a minimum of a 10% Return (or 'Capitalization Rate') on my invested capital. With a CAP rate of 10% and monthly rent of \$1,500 (or thereabouts), the maximum amount that I should purchase the property for is \$162,000.00. The formula is shown below:

Gross Monthly Rent - \$1,500

Monthly Adjustment for Maintenance – 90% of gross monthly rent

Annual Net Rental Income =>  $(\$1,500 \times 0.9) \times 12$  months = \$16,200.00

CAP Rate Required as a minimum – 10%

Maximum Buy Price =>  $((\$1,500 \times 0.9) \times 12) / 0.1 = \mathbf{\$162,000.00}$

Another way that investors look at Buy & Hold properties (to rent out) is by looking at property listed values and then use the 1% Rule of Thumb. If the rent here is \$1,500 per month, then the maximum purchase price should be  $(\$1,500 / .01) = \mathbf{\$150,000.00}$ .

Based on the above, I would compromise and offer \$160,000.00 (a mix between the two formulas above). I can close fast and with all cash.



**INFLEX  
HOMEVESTORS LLC**

If this is something that interests your client, please have them sign below. Once received, your agent will then prepare the appropriate Sale Agreement for signatures.

**Regards,  
INFLEX HOMEVESTORS LLC**

A handwritten signature in blue ink that reads "Jerome Marquez".

**Jerome Marquez  
Investor**

I, \_\_\_\_\_ agree to accept your terms and conditions as outlined above. I confirm that I am the owner of the property stated at subject and is authorized to sign this document.

\_\_\_\_\_  
Name in Block Letters

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date