

HKSK CORP.

420 Central Avenue
Cedarhurst, NY 11516

June 16, 2025

Mike Terry
mike.terry@berkadia.com

Re: Letter of Intent/Offer to Purchase
Costa Tarragona Apartment Homes I & II
2240 N. Padre Island Dr.
Corpus Christi, TX 78408

Dear Mr. Terry,

This letter will serve as a Letter of Intent, on behalf of a to be formed Limited Liability Company, to purchase the 346 units of apartment properties known as Costa Tarragona Apartment Homes I & II on the following terms & conditions:

I. Total Consideration - The total consideration of \$17,100,000 to be paid as follows:

a) \$17,100,000 cash at closing.

Price allocation:

- \$13,300,000 - Phase I
- \$3,800,000 - Phase II

II. Transaction Conditional - In addition, this transaction is conditional upon and subject to:

- a) Buyer's receipt and approval of: a title binder/policy, receipt and review of all signed and pending leases, review of income and operating expenses, as-built plans (if available; recent site inspection, engineering inspection of property; and recent environmental report. Buyer has option to perform its own engineering and environmental inspections at its own cost.)
Seller shall make available all necessary books and records and other pertinent information and to allow Buyer access to property so that Buyer may properly perform all due diligence. Buyer shall complete such due diligence on or

before 30 days following the execution of Purchase and Sale Agreement.

- b) Seller delivering marketable and insurable title to the property.
- c) The property maintaining existing occupancy, rent roll and collections levels at least at its current level.
- d) All autos/vans/golf carts, office equipment, paintings / artwork, apartment furnishings, clubhouse furnishings, fitness equipment, landscaping, tools and equipment, marketing materials, computers, printers, operating software, and any other personal and/or real property utilized in the operation of the property are to be transferred hereunder. Seller shall also transfer the use of the name "Costa Tarragona Apartment Homes I & II" any existing websites, website domain names, original art work contained therein, and property telephone numbers.
- e) All outstanding management/employment contracts, leases and/or service contracts are to be cancelled as of closing, at Buyer's option. Any costs of such termination shall be borne by Seller.
- f) The sale will be subject to both parties entering into a mutually acceptable and definitive Purchase and Sale Agreement within 10 days of the execution of this Letter of Intent by Seller. This Letter of Intent does not constitute a final offer, nor does it purport to include all final terms. This letter of intent shall not be deemed an offer to purchase, nor shall it be binding upon the parties (other than Section V. below) unless and until the Purchase and Sale Agreement referenced in the prior sentence is fully executed by Buyer and Seller.
- g) The Sale Will be contingent on receiving approval from municipal and government agencies.

III. Closing Costs - Seller will pay all standard closing costs, including, but not limited to, transfer taxes and fees. Buyer and Seller will each pay his own legal fees. Buyer will pay its lender's title insurance fee. Allocation of pro-rata income and expenses shall be as of the day of closing. Tenant security deposits, including any pet fees (refundable or non-refundable), to be transferred to Buyer or credited to purchase price.

IV. Real Estate Commissions - Seller to pay all real estate commissions.

V. Agreement Binding on Parties - Your execution of this Letter of Intent signifies that you will not accept any other offer for, this property as long as this Letter of Intent is in force.

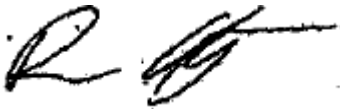
VI. Initial Deposit- The Contract shall provide for an initial deposit of One Hundred and Fifty Thousand (\$150,000) Dollars upon execution Purchase and Sale Agreement. Said funds will be placed with a mutually agreeable escrow agent, to be held subject to the inspection period in II (a) above, and subject to successful closing of title.

VII. Closing Date – Closing will take place on or before 30 days following the conclusion of the Due Diligence period. At the option of buyer, the closing may be postponed until 30 days following the conclusion of the Due Diligence period, in which case buyer will deposit an additional Fifty Thousand (\$50,000) Dollars into escrow.

This Letter of Intent is subject to approval by the Texas Housing.

At the option of Buyer, this Letter of Intent will be null and void if not accepted by the closing of business on June 26, 2025.

Very truly yours,



By: Raymond Katz, Pres.
RK

Via E Mail:

Agreed to and Accepted:

Costa Tarragona I, Ltd. and Costa Tarragona II, Ltd.

By: CCHFC Costa Tarragona I, LLC and CCCHFC Costa Tarragona II, LLC, respectively

By:

Dated: _____

An authorized officer of the Corpus Christi
Housing Finance Corporation, acting as the
sole member of such limited liability companies