



Rok

Rok Lending LLC

March 27, 2019

The undersigned, Rok Lending LLC (the “Lender”), hereby submits this Letter of Intent (the “LOI”) to confirm certain non-binding understandings and agreements with respect to the proposed loan (the “Loan”) from Lender, or its assigns, to Icebox Pantry RE, LLC (the “Borrower”), and which Loan shall be secured by collateral (the “Collateral”) hereinafter described. Upon execution of this LOI by both Lender and Borrower, and all conditions precedent hereunder, this will cause to be prepared a set of Loan documents (the “Loan Documents”) for execution by Lender and Borrower, which will set forth in detail the terms and conditions of the proposed transaction based upon the following summary and other terms and conditions as are agreed upon by Lender and Borrower.

Borrower: Icebox Pantry RE, LLC

Guarantor: Robert Siegmann shall guaranty the payment and performance of Loan and all Loan documents.

Loan Amount: Four Million and 00/100 (\$4,000,000.00)

Collateral: Collateral includes Lender having a first lien position on the real estate further described below:

1. 219 NE 3rd St, Hallandale Beach, FL 33009

Term: Twenty-Four (24) Months. The entire outstanding principal balance is due in full on the Maturity Date.

Maturity Date: The Loan will mature on May 1, 2021 (“Maturity Date”) falling twenty-four months after the consummation of the Closing Date of the Loan.

Interest Rate: Fixed interest rate per annum equal to ten percent (10%) shall be: (i) payable monthly on the outstanding principal Loan balance, (ii) paid in arrears and (iii) calculated by multiplying the actual number of days elapsed in the period for which interest is being calculated by a daily rate based upon a year consisting of 360 days.

Closing: The estimated Closing date shall take place on or before April 31, 2019 with the condition that all Legal pre-closing checklist items are satisfied at the Lender's sole discretion. Borrower shall send Lender a complete dropbox of all transaction due diligence material no later than 2 business days after the execution of this document.

Guaranteed Interest: Notwithstanding anything to the contrary contained under this LOI the Borrower guaranties that Lender shall receive no less than twelve (12) months of interest based entirely upon the original Loan Amount.

Extension Period: Lender will agree to extend the Initial Term for an additional six (6) months (the "Extension Term") in exchange for Borrower paying to Lender an extension fee (the "Extension Fee") in an amount equal to one (1%) percent of the outstanding principal balance of the Loan as of the Initial Term Expiration Date, provided: (i) the Borrower has never been late on any payments under the Loan, (ii) the Borrower is not in default under any Loan Documents, and (iii) the outstanding principal balance of the Loan does not exceed sixty (60%) percent of the Lender determined value of the Collateral. Borrower shall pay to Lender the Extension Fee on the Initial Term Expiration Date. The entire outstanding principal as well as all unpaid interest, is due in full on the Maturity Date.

Principal Prepayment: This Loan shall not be prepaid in whole or in part prior to the Maturity Date.

Escrow Reserve: Lender will hold one (1) year of property taxes based on the latest tax bill from the local county's Tax Collector's office; and one (1) year of General Liability Insurance and Property Insurance equal to the amount paid for the policy in place at the closing date.

Interest Reserve: Notwithstanding anything to the contrary contained under this LOI, the Borrower has requested, and Lender has agreed that at the Closing of this Loan, the Borrower will pay to Lender an amount equal to twelve (12) months interest based upon the Loan Amount.

Capex Reserve: Lender will hold back Three Million Five-Hundred Thousand Dollars (\$3,500,000.00) at Closing from the Loan Amount for renovations of the Collateral. Borrower will fund the initial Five-Hundred Thousand Dollars (\$500,000.00) of construction cost. Lender will fund the remainder of the supplied construction budget, estimated to be up to Three Million Dollars (\$3,000,000.00). Borrower will fund anything in excess of the construction budget. Funds applied for construction budget will be disbursed via five tranches of \$500,000.00. Borrower and Lender will agree on a "Borrower's Work List" prior to Closing which will detail all items to be completed at the property. The Borrower's Work List will be attached as an exhibit to the Loan documents. After inspection and confirmation by the Lender that all the items on the Borrower's Work List has been completed, the Capex Reserve will be released to Borrower. All construction must be planned and permitted by governmental agencies.

Advance Deposit: In the interest of time, Lender agrees to engage its attorneys to review the due diligence items and draft the Loan Documents to close this transaction with a non-refundable Twenty-Five Thousand and 00/100 (\$25,000.00) Dollars (the "Advance Deposit") from Borrower. The balance of this deposit, if any, will be credited towards closing costs. If Borrower does not close for any reason other than Lender not funding at Closing, then the Advance Deposit shall be immediately released to Lender.

Origination/Exit Fee: Borrower agrees to pay Lender one (1) point based upon the Loan Amount at Closing and two (2) points based upon the Loan Amount on the Maturity Date.

Monthly Payments: Interest only.

Assignment of Loan: Borrower acknowledges that the Lender may assign this Loan at any time.

Appraisal: At Lender's sole discretion, Lender may order an appraisal prior to Closing at Borrower's expense. Lender's determined value may or may not be based upon appraisal. At Lender's sole discretion may proceed to close the Loan prior to the appraisal being completed.

Insurance: Lender will require General Liability Insurance prepaid one (1) year in advance, containing a mortgagee loss payable clause satisfactory to Lender and an agreement to notify Lender in writing at least thirty (30) days prior to any cancellation or reduction in coverage of the policy. The insurance policies shall be in the amount which is the greater of the replacement value or balance of the Loan and be issued by a company satisfactory to Lender. Notwithstanding the foregoing, the Borrower shall carry such types of insurance as may be required by the Lender in the Lender's sole discretion. A copy of the original of the policies shall be delivered to Lender at the time of the closing of the Loan.

Lien Release: If the Collateral, or any portion, thereof, is sold prior to the Maturity Date, then 100% of the proceeds of the sale of the Collateral will be used to: (i) pay any accrued interest, if any (ii) pay any portion of the Prepayment Fee due, if any, and (iii) any other amounts that are due and owing under the Loan Documents and (iv) and pay down the outstanding principle balance of the Loan.

Underwriting Fee: \$4,995.00 to fund Lender's due diligence costs. The underwriting fee will be deemed earned upon acceptance of this LOI.

Processing Fee: \$4,995.00 to be paid to Lender at Closing. The processing fee will be deemed earned upon acceptance of this LOI..

Accepted Title Underwriters: Lender may require the Borrower to use its accepted title underwriters who currently are the following:

- a. Fidelity National Title Insurance Company;
- b. First American Title Insurance Company;
- c. Chicago Title Insurance Company;
- d. Stewart Title Insurance Company; or
- e. Old Republic National Title Insurance Company.

Borrower may not use any other underwriters except the approved underwriters.

Expenses: Borrower shall pay all costs and expenses in connection with the Loan including, but not limited to, Lender's attorney fees, Lender's construction representative, recording costs, taxes, title insurance premiums, loan document preparation fees, appraisals, and inspection fees (collectively "Costs and Expenses"). Borrower shall pay all of such Costs and Expenses (or reimburse Lender as applicable) and all of Lender's expenses at Closing of the Loan. In the event that Closing does not take place then Borrower shall pay for all of such Costs and Expenses (or reimburse Lender as applicable) and all of Lender's expenses within fifteen (15) days of being billed for same. Notwithstanding anything contained in this LOI to the contrary, the terms of this LOI regarding the payment of Lender's expenses and all Costs and Expenses in connection with the Loan are binding upon the Borrower and all of such Lender's expenses and all Costs and Expenses shall be paid whether or not Lender decides to fund the Loan.

Brokerage Fees: Borrower represents to the Lender that Borrower utilized the services of a broker in connection with this Loan transaction. The following broker fees for this Loan transaction shall be all be based upon the Loan Amount and paid at Closing.

Documentation: All Loan documentation shall be prepared by Lender's Attorney in a form satisfactory to the Lender and its Attorney.

Non-Binding Letter of Intent: The Borrower, Lender and Guarantors, agree that other than with respect to expenses and the Advance Deposit this is a non-binding Letter of Intent, and there shall be no obligation to fund the Loan, unless and until the Lender has agreed to an actual Loan closing and has funded the amount due hereunder. In the event the Lender, in its sole and absolute discretion, decides not to fund the Loan, the parties acknowledge that the Lender shall have no obligations to the Borrower. Notwithstanding the foregoing, any costs incurred by the Lender in investigating, preparing and in any other way determining whether to make the Loan shall be reimbursed and paid by the Borrower **WHETHER OR NOT THE LENDER DECIDES TO FUND THE LOAN**. Lender may offset such costs from any funds received from the Advance Deposit to pay the foregoing. **NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE PROVISIONS OF THIS LETTER OF INTENT REGARDING BORROWER' PAYMENT OF LENDER'S EXPENSES SHALL BE BINDING UPON THE BORROWER WHETHER OR NOT THE LENDER DECIDES TO FUND THE LOAN.**

This LOI will be null and void if not accepted by April 4, 2019 at 5:00 p.m. If the terms and conditions set forth in this letter meet with your approval, please indicate your acceptance by signing below, emailing the executed copy to bryan@roklending.com, and forward the Advance Deposit to Rok Lending, LLC at 48 E. Flagler St. Ph105 Miami FL 33131 or call 305-377-4921 for wiring instructions. Rok Lending, LLC

Bryan Morjain
Managing Member

Borrower:

Icebox Pantry RE LLC

By: _____

Name: _____

Title: _____

Date: _____

Guarantor:

Robert Siegmann

By: _____

Date: _____