

Capital Partner Letter of Intent



Date of Engagement: March 1st, 2026

This Letter of Intent initiates engagement between Avalon PEG, LLC and Prospective Partner: _____ of _____. Avalon agrees to provide the party named herein with pertinent information as it pertains to the acquisition or disposition of the property or project located at: _____, State of _____ City of _____.
County of _____.

Right of Refusal - Any prospective project sent to a Capital Partner will be afforded his or her exclusive consideration for a period of 72 hours. Should a Cap Partner decide to "opt out" of a prospective acquisition, the opportunity for any other partner to move into the space will be made on a first come first serve basis.

Time, Costs, & Terms - There is no initial cost to initiate engagement. However, Once a commitment has been made, the Capital Partner agrees to "opt in" for one or more categories of acquisition funding as specified herein. Upon approval, Avalon PEG and the Capital Partner will execute a full Joint Venture agreement.

First Dollar Out - Once the acquisition has closed initial title or escrow, all funds due to the Capital Partner will be paid "first dollar out" of closing proceeds. Any amount up to Twenty Thousand Dollars will be paid at a rate of 100% or \$20,000. Any funds more than \$20,000 will be paid a nominal rate of 20% per annum. **For example:** Joe Black wants to pledge \$30,000. Joe will receive his initial investment of \$30k, an additional \$20k, plus another \$1k representing the funds to be paid out at 20%.

Leased Funding Sponsorships - Please select one or more of the services you wish to provide funding for. Total package funding on behalf of an Acquisition Partner earns an additional one thousand dollars. Cap Partners are considered vested after completion of the third deal with Avalon.

Capital Lease Example: Breakdown & Returns

Capital Lease Break Down:	\$ Amount	Cost of Funds	COC-ROI	Funds to Leasor
Earnest Money Deposit:	\$ 1,000.00	\$ 500.00	50%	\$ 1,500.00
Closing Costs:	\$ 15,000.00	\$ 2,500.00	20%	\$ 30,000.00
Avalon Engagement Fee:	\$ 3,500.00	\$ 700.00	20%	\$ 4,200.00
Repairs & Renovations Advance:	\$ 12,500.00	\$ 2,500.00	20%	\$ 15,000.00
Down Payment:				
Transactional Funding:				
Total Lease Funding:	\$ 32,000.00	\$ 6,200.00	19%	\$ 50,700.00

Dissolution & Liquidation of the Joint Venture - The Venture will be dissolved and its assets liquidated in the event of any of the following: a. The Term expires and is not extended; b. A unanimous vote by the Members to dissolve the Venture; c. On satisfaction of the Purpose; d. Loss or incapacity through any means of substantially all of the Venture's assets; or e. Where only one Member remains. On dissolution, the Venture will be liquidated promptly and within a reasonable time. On the liquidation of the Venture assets, distribution of any amounts to Members will be made in proportion to their respective capital accounts or otherwise may be agreed in writing.

Indemnification - Each Member will be indemnified and held harmless by the Venture from any and all harm or damage of any nature relating to the Member's participation in Venture affairs except where such harm or damages results from gross negligence or willful misconduct on the part of the Member.

Capital Partner Letter of Intent

“Transaction Costs Schedule”

Transaction Detail Profit Analysis		
Project One		
1234 MAIN STREET, Los Angeles, CA 90008		
AS REPAIRED VALUE:		\$ 1,000,000.00
Acquisition Price		\$ 500,000.00
EMD		\$ 1,000.00
Closing Costs Loan		\$ 15,000.00
Avalon Fees		\$ 3,500.00
Repairs & Renovations Advance		\$ 12,500.00
Total Consideration (Transactional Loan)		\$ 532,000.00
(Avalon sells to End Buyer for 70% of ARV)		
BUYERS REHAB or DSCR LOAN:	70% ARV	\$ 700,000.00
Acquisition (Transactional Pay Off)		\$ (532,000.00)
Transactional Expenses	2%	\$ (10,640.00)
Closing Costs Loan Pay Off		\$ (2,500.00)
Renovations & Repairs Advance Payoff		\$ (15,000.00)
Acquisition Closing Costs	3%	\$ (16,260.00)
EMD Expenses		\$ (1,500.00)
Buyer Paid Commissions	2%	\$ (10,000.00)
1st Loan Points	3%	\$ (21,000.00)
1st Loan Interest Reserve - 3 Months	10%	\$ (17,500.00)
2nd Loan Points		
2nd Loan Interest Reserve		
Transaction Processing		\$ (3,000.00)
Property Taxes - 6 Months	Months 6	\$ (3,282.00)
Insurance / Utilities - 6 Months	Months 6	\$ (1,250.00)
Remodel / Construction Budget		\$ (50,000.00)
TOTAL HARD COSTS		\$ (683,932.00)
TOTAL LOANS		\$ 700,000.00
TOTAL HARD COSTS		\$ (683,932.00)
NET PROFIT		\$ 16,068.00
Refinance Costs (DSCR Loan)	2%	\$ (14,000.00)
Sales Commissions		
Avalon Commissions		
Carry Back Interest or Incentives		
Rents & Deposits		
FRONT END ACQUISITION PROFITS:		\$ 2,068.00
Shaded sectors above are subject to pricing negotiation		
Property maintains a gross \$300,000 equity position at time of entry		

AVALON PEG, LLC

Curtis Wright, Managing Partner

Capital Partner (Prospective)