

THE STANDARD OPERATING PROCEDURES

FOR HIGHGARDEN COMMERCIAL REAL ESTATE



*All information in this Standard Operating Procedures document for Highgarden Commercial Real Estate will **take effect on January 1, 2026, for all new business.** This handbook is proprietary and confidential. Redistribution or sharing without written authorization from Highgarden Real Estate is strictly prohibited.*



HIGHGARDEN
— COMMERCIAL REAL ESTATE —

WHAT'S THE DIFFERENCE BETWEEN COMMERCIAL & RESIDENTIAL REAL ESTATE?

RESIDENTIAL REAL ESTATE

DEFINITION: Property primarily used for people to live in.

INCLUDES:

- Single-family homes.
- Condominiums and townhomes.
- Duplexes, triplexes, and fourplexes (1–4 units total).
- Some mixed-use properties, if the majority of the space is residential.

PURPOSE: Personal use or income generation through renting/ lodging (e.g., Airbnb, long-term rentals).

FINANCING AND REGULATION:

- Governed by consumer protection laws (RESPA, TILA, etc.).
- Easier financing through FHA, VA, or conventional residential loans.
- Appraisals rely heavily on comparable sales ("comps") of nearby homes.

AGENTS TYPICALLY HANDLE: Primary residences, second homes, small multifamily investments, and rentals under five units.

COMMERCIAL REAL ESTATE (CRE)

DEFINITION: Property used primarily for business or investment purposes—to produce income from operations or tenants.

INCLUDES:

- Office buildings.
- Retail centers and strip malls.
- Industrial and warehouse properties.
- Multifamily with 5+ units. Hotels, land, special-purpose properties (churches, self-storage, medical).

PURPOSE: To generate profit through rent, capital appreciation, or business activity.

FINANCING AND REGULATION:

- Financed through commercial loans based on property income (NOI, CAP rates).
- Fewer consumer-protection restrictions.
- Heavier due diligence: environmental, zoning, and tenant lease review.

AGENTS TYPICALLY HANDLE: Investor sales, leasing, site selection, and income-producing portfolios.



KEY DIFFERENCES

USE

Residential = Living
Commercial = Business/Investment

UNITS

Residential = 1–4
Commercial = 5+

VALUE BASIS

Residential = Comparable sales
Commercial = Income (NOI & CAP rate)

FINANCING

Residential = Consumer mortgage
Commercial = Commercial loan

REGULATION

Residential = Consumer-focused
Commercial = Business-focused

TYPICAL CLIENTS

Residential = Homebuyers, landlords
Commercial = Investors, corporations

TRANSACTION SIZE

Residential = Smaller
Commercial = Larger, complex

HIGHGARDEN COMMERCIAL REAL ESTATE AGENT CLASSIFICATION CRITERIA

ELITE AGENTS

This designation reflects mastery, leadership capability, and full professional recognition within the HCRE Division.

NOTE: Placement is determined by the HCRE Manager during the onboarding interview, based on the criteria below.

QUALIFICATIONS

- Minimum \$10M+ in volume and/or 20+ closed sides
- Documented history of closed commercial transactions (leasing, sales, investments, etc.)
- Strong understanding of commercial contracts, financing, and analysis
- Established client network in the commercial sector

DIVISION ROLE

- Full member of the HCRE Division and can do residential real estate
- Eligible to work independently on commercial deals
- May mentor newer agents (optional/encouraged)
- Reports directly to the HCRE Manager
- Must adhere to division standards for compliance, ethics, and deal structure
- Must participate in division meetings, education, and strategy sessions
- Consistent use of division-approved marketing materials and branding

COMMISSION SPLIT

Negotiated commission splits between Highgarden Real Estate and the agent still apply. Highgarden's negotiated portion is deducted first, and the remaining commission is then split according to the commercial commission structure outlined below.

- **90% Commission Split (10% To HCRE Manager)**

This status is reserved for seasoned commercial agents entering Highgarden or for Fusion Agents who have achieved \$10M+ in closed commercial volume, completed 20 or more commercial transactions, and met Lead Eligibility requirements.

- This designation reflects mastery, leadership capability, and full professional recognition within the HCRE Commercial Division.
- These Agents are responsible for independently acquiring and maintaining their own Crexi, CoStar, and/or LoopNet and the like, subscription accounts.
- If the HCRE Manager elects to use their personal subscription accounts to publish, promote, or manage an Elite Agent's listings, the HCRE Manager shall be entitled to an additional 10% of the agent's commission attributable to that transaction.

FUSION AGENTS

This **no-experience-required** opportunity gives you full support as you learn commercial real estate. The HCRE Manager guides you through each step—from client meetings to listings, leases, and investment strategies—helping you build confidence and skills. **Pre-requisite: Agents are required to take the Commercial 101 Class.**

NOTE: Placement is determined by the HCRE Manager during the onboarding interview, based on the criteria below.

QUALIFICATIONS

- Primarily a residential agent with limited commercial experience or interest in transitioning
- Some commercial market knowledge, but not fully specialized
- Mandatory participation in the Commercial 101 Class training to get started

DIVISION ROLE

- Transition pathway toward full commercial status
- Must complete required training milestone before participating in a transaction
- Partnered with the HCRE Manager and/or an Experienced HCRE agent
- May shadow, co-list, or assist on commercial transactions
- Must adhere to division standards for compliance, ethics, and deal structure
- Must participate in division meetings, education, and strategy sessions
- Consistent use of division-approved marketing materials and branding

COMMISSION SPLIT

Negotiated commission splits between Highgarden Real Estate and the agent still apply. Highgarden's negotiated portion is deducted first, and the remaining commission is then split according to the commercial commission structure outlined below.

- **Novice Agent: 50% Commission to Fusion Agent (50% To HCRE Manager) – (Additional Commission Opportunities Do Not Apply).**
 - Entry-level status for agents beginning their commercial production journey.
- **Emerging Producer: 60% Commission to Fusion Agent (40% To HCRE Manager)** - upon achieving \$1.5M+ in closed commercial volume and a minimum of 5 transactions.
 - Represents the first milestone of consistency and competency in commercial brokerage.
- **Established Commercial Producer: 70% Commission to Fusion Agent (30% To HCRE Manager)** - upon achieving \$3.5M+ in closed commercial volume and a minimum of 10 transactions, and Lead Eligibility.
 - Indicates a proven ability to produce, manage deals, and handle a consistent transaction pipeline.
- **Independent High-Performer: 75% Commission to Fusion Agent (25% To HCRE Manager)** - for independent producers achieving \$3.6M–\$10M in volume and 11–20 transactions, and Lead Eligibility.
 - Reserved for agents demonstrating strong self-sufficiency, repeatability, and high-level commercial proficiency.
- **Elite Producer: 90% Commission to Fusion Agent (10% To HCRE Manager)** - Upon achieving \$10M+ in commercial volume and a minimum of 20+ transactions, and Lead Eligibility.
 - Represents mastery, leadership potential, and full professional recognition within the HCRE commercial division. See page 2 for more info.

NOTE: Limited Agency / Dual Agency transactions count as TWO transactions when both sides are procured by the Fusion Agent.

REFERRAL AGENTS

This designation is for agents who produce commercial leads but prefer to hand them off to the HCRE Division to manage the transaction.

NOTE: Placement is determined by the HCRE Manager during the onboarding interview, based on the criteria below.

QUALIFICATIONS

- Licensed Highgarden residential agent
- Does not actively practice commercial real estate
- Identifies opportunities but refers them to the division

DIVISION ROLE

- Focus remains on residential business
- Refers commercial leads to the division
- Earns referral fee on closed transactions

COMMISSION SPLIT

Negotiated commission splits between Highgarden Real Estate and the agent still apply. Highgarden's negotiated portion is deducted first, and the remaining commission is then split according to the commercial commission structure outlined below.

- **Standard 25% referral fee** (per MIBOR agreement)
- Applies only to one side if listing agreement is involved



ADDITIONAL COMMISSION OPPORTUNITIES FOR FUSION AGENTS

The following additional commission rules apply to all Elite and Fusion Agents, **EXCEPT Novice Fusion Agents**.

MANAGER-PROCURED COUNTERPARTY

Should a Fusion Agent procure one side of a commercial transaction and the HCRE Manager independently procures the opposite side (Dual / Limited Agency), the agent is eligible to receive:

- The standard commission for the side they procured, plus an additional fifty percent (50%) commission attributable to the opposite side of the transaction, payable to the HCRE Manager.
- The Agent must be willing and able to service both sides of the transaction (With Guidance) to qualify.

AGENT-PROCURED DUAL AGENCY

Should a Fusion Agent procure both sides of the commercial transaction (Limited Agency / Dual Agency), the agent shall receive:

- The standard commission rate for each side, as defined according by the **Fusion Agent Commission Schedule**.

LEAD ELIGIBILITY

Once a Fusion Agent becomes an **Established Commercial Producer**, they are eligible for commercial leads.

- **HCRE LEADS**
 - Listing Side is 50% commission (50% to HCRE Manager)
 - Buyer's Side is 50% commission (50% to HCRE Manager)
- **REFERRAL LEADS**
 - Listing Side and Buyer Side is 50% commission (25% to the Referral Listing Agent, and 25% to the HCRE Manager).

COMPLIANCE & DOCUMENTATION

DOCUMENTATION

Signs, brochures, underwriting materials, photography, maps, reports, and similar items are the responsibility of Elite and Fusion agents. Any expenses incurred by the HCRE Manager on the agent's behalf will be documented and reimbursed at closing.

LETTER OF INTENT (LOI)

A non-binding document used as a pre-negotiation tool. It allows agents to gauge a seller's position, outline key terms, and negotiate the framework of a deal without the commitments or legal obligations of a purchase agreement. Using an LOI helps avoid premature contract amendments or addendums that could jeopardize the transaction later.

There are no standardized LOI forms available for agents, as these documents are proprietary and typically tailored to the specifics of each individual negotiation. **An example of a redacted sample LOI can be found on pages 9-10.** The HCRE Manager is available to assist as needed.

PURCHASE AGREEMENT

A standard commercial purchase agreement is attached for reference. Commercial contracts differ significantly from the residential forms most agents are accustomed to. These transactions are typically more complex and often require longer timelines to close.

Adding to this complexity, many agents from large CRE firms are not BLC members, and some buyers are represented solely by attorneys. As a result, you should expect to receive proprietary purchase agreements that vary widely in format and terms. Each must be reviewed thoroughly and in full detail. **An example of a purchase agreement can be seen on pages 10-16.**

LOCKBOXES

Do Not Use digital MLS lockboxes on commercial properties. Many commercial brokers are not MLS subscribers. **HCRE Agents will be required to use a Mechanical (Combination) Lockbox for commercial listings.**

SIGNAGE (IF INSTALLING YOURSELF)

Any sign installation requiring large posts or ground digging must comply with safety regulations. **Agents are required to contact 811 before digging to ensure all underground utilities are properly marked.**



Letter of Intent

Date: 11/16/2025

To: [REDACTED]

From: [REDACTED]

Subject: Intent to Purchase – [REDACTED], Elwood, Indiana (Parcel ID [REDACTED]), And [REDACTED], Elwood (Parcel ID [REDACTED]).

This non-binding Letter of Intent (“LOI”) outlines the principal terms under which **Purchaser** intends to acquire the above-referenced property (the “Property”), including the land and any improvements thereon. The terms presented herein are subject to the execution of a mutually acceptable Purchase and Sale Agreement (“PSA”).

Proposed Terms:

1. Purchase Price:

The total purchase price for the Property shall be **Four Hundred Thirty-Five Thousand and No/100 Dollars (\$435,000.00)**. In addition to the purchase price, Purchaser agrees to assume and be responsible for the payment of **Twenty-Eight Thousand and No/100 Dollars (\$28,000.00)** representing outstanding debt, vacant property fees, and/or penalties assessed by the **City of Elwood**.

Purchaser shall pay a real estate commission in the amount of **Thirteen Thousand Five Hundred and No/100 Dollars (\$13,500.00)** to **Seller’s Agent**, [REDACTED], at closing. No other commissions, brokerage fees, or compensation of any kind shall be due or payable by Purchaser to any other party in connection with this transaction.

2. Earnest Money Deposit:

\$5,000.00 to be deposited into escrow within five (5) business days after a fully executed PSA.

3. Due Diligence Period:

Purchaser shall be granted sixty (60) calendar days from the execution of the PSA and receipt of all relevant documentation to conduct due diligence. This period shall include, but is not limited to: appraisal, environmental assessments, lease reviews, physical inspections, title review, and zoning compliance. All due diligence shall be subject to Purchaser’s sole and absolute discretion.

4. Closing:

Closing shall occur within thirty (30) days following the expiration of the due diligence

period, but not less than thirty (30) days after Purchaser has received a Commitment for Title Insurance.

5. Property Taxes:

Purchaser shall be responsible for all property taxes in arrears, provided such taxes are not delinquent as of the date of closing.

6. Purchase Agreement:

Purchaser shall deliver a draft Purchase and Sale Agreement within five (5) business days of mutual execution of this Letter of Intent.

7. Closing Costs:

The Purchase Agreement shall provide that purchase is conditioned on Purchaser received a twelve (12) year Tax Abatement from the City of Elwood for Real Estate. Purchase shall make Application for the Tax Abatement within five (5) days of the signed Purchase Agreement. Purchaser will cover all closing costs.

Non-Binding Nature:

This Letter of Intent is non-binding and does not create any legal obligation on either party to sell or purchase the Property. Its purpose is solely to outline the proposed terms for negotiating a formal Purchase and Sale Agreement. All terms are subject to final negotiation and mutual execution of such an agreement.

Offer Expiration:

This Letter of Intent shall remain open for acceptance by the Seller until _____, **2025**, unless extended in writing by the Purchaser.

Agreed And Accepted:

By:

Buyer/Representative - [REDACTED] *Date*

By:

Seller - [REDACTED] *Date*

Listing Broker (Co.) _____ (_____) By _____ (_____)
office code individual code
Selling Broker (Co.) _____ (_____) By _____ (_____)
office code individual code



PURCHASE AGREEMENT
COMMERCIAL-INDUSTRIAL REAL ESTATE
For use only by members of the Indiana Association of REALTORS®

- A. PARTIES:** _____ ("Seller")
_____ ("Buyer")
agrees to sell and convey to _____
and Buyer agrees to buy from Seller the following property for the consideration and subject to the following:
- B. PROPERTY:** The property is commonly known as _____
in _____ Township, _____ County, _____ Indiana, _____
including all buildings and permanent improvements and fixtures attached owned by Seller; all privileges, easements and appurtenances pertaining thereto including any right, title and interest of Seller in and to adjacent streets, alleys, rights-of-way, leases, rents, security deposits, licenses and permits with respect to the property, trade name, and warranties or guaranties relating to the property being sold, and any personal property specified herein; all of the above referred to as the "Property," the legal description of which is ☐ (attached as Exhibit "A") ☐ (described as follows): _____
_____ ; subject to exact determination by survey pursuant to Paragraph J.
- The following items of personal property are INCLUDED in the sale:** _____
- All other personal property and the following additional items are EXCLUDED from the sale:** _____
- Within _____ days from the Effective Date (defined below), Seller shall provide Buyer the items, if in its possession or control, described on Exhibit "B" attached hereto. Buyer agrees to keep all items provided by Seller, including, but not limited to those items described in Exhibit "B" strictly confidential except to the extent shared with Buyer's consultants and agents, who shall be bound to Buyer to keep same confidential. Notwithstanding anything to the contrary contained herein, Buyer acknowledges that any information, engineering data, feasibility or marketing reports, soils reports, or other information of any kind or nature relating to the Property contained in the reports which Buyer has received or may receive from Seller or its agents, is, will be, or has been furnished on the express condition that Buyer shall make its own independent verification of the accuracy of the information. Buyer agrees that Buyer shall not attempt to assert any liability against Seller by reason of Seller's having furnished such information or by reason of any such information becoming or proving to have been incorrect or inaccurate in any respect.
- C. PRICE:** The purchase price shall be _____ Dollars (\$ _____) U.S. Dollars, payable (in cash at closing) (in accordance with the terms and conditions in this Agreement).
- D. EARNEST MONEY:** Buyer submits \$ _____ U.S. Dollars as Earnest Money to be held by _____ as Escrow Agent within _____ days following execution and receipt of this Agreement and any counteroffer by both parties (the "Effective Date"). **If Buyer fails for any reason to timely submit Earnest Money, Buyer agrees Seller may terminate this Agreement by serving a Notice of Termination to Buyer prior to Escrow Agent's receipt of the Earnest Money.** The Earnest Money shall be applied to the purchase price at closing unless returned to Buyer, released to Seller, or otherwise disbursed in accordance with this Agreement. The Escrow Agent is not a party to this Agreement and does not assume or have any liability for performance or non-performance of any party. Before the Escrow Agent has any obligation to disburse the Earnest Money in the event of dispute, Escrow Agent has the right to require from all parties a written release of liability of the Escrow Agent, termination of the Agreement and authorization or court order to disburse the Earnest Money. If the Escrow Agent is the Listing Broker ("Broker") described above, Broker shall be absolved from any responsibility to make payment to the Seller or Buyer unless the parties enter into a Mutual Release or a Court issues an Order for payment, except as permitted in 876 IAC 8-2-2 (release of earnest money). Upon notification that Buyer or Seller intends not to perform, Broker holding the earnest money may release the Earnest Money as provided in this Agreement. If no provision is made in this Agreement, Broker may send to Buyer and Seller notice of the disbursement by certified mail of the intended payee of the Earnest Money. If neither Buyer nor Seller enters into a mutual release or initiates litigation within sixty (60) days of the mailing date of the certified letter, Broker may release the Earnest Money to the party identified in the certified letter. Buyer and Seller agree to hold the Broker harmless from any liability, including attorney's fees and costs, for good faith disbursement of Earnest Money in accordance with this Agreement and licensing regulations.
- E. ADDITIONAL PROVISIONS: Included in this Agreement are the following addenda: (Place an "X" on the appropriate line or lines)**
- | | |
|---|---|
| _____ Financing Addendum | _____ Feasibility Study Addendum |
| _____ Leased Property Addendum | _____ Exchange Addendum |
| _____ Zoning/Governmental Approval Addendum | _____ Representations & Warranties of Seller Addendum |
| _____ Alternative Dispute Resolution Addendum | _____ Lead-Based Paint Disclosure Addendum |
| _____ Addendum to Purchase Agreement | |

_____(office use only)

- 58 **F. CLOSING:** The closing of the sale shall take place at ☐ (the Title Company) ☐ (_____)
59 _____) on or before _____, _____ or within _____ days after
60 the end of both the Inspection Period and any of the periods described in any of the above referenced Addenda which are part of
61 this Agreement, whichever is later, (the "Closing Date") or this Agreement shall terminate unless the Closing Date is changed in
62 writing by Seller and Buyer, or otherwise extended pursuant to this Agreement.
- 63 **G. POSSESSION:** The possession of the Property shall be delivered to Buyer, subject to the rights of tenants in possession, if any, in
64 its present condition, ordinary wear and tear excepted, on the Closing Date. Seller shall maintain the Property, including fixtures,
65 equipment and any included personal property in its present condition except ordinary wear and tear, until possession is
66 delivered to Buyer. Seller shall not enter into any leases, lease amendment, lease terminations or any service agreements for
67 the Property without Buyer's consent.
- 68 **H. REAL ESTATE TAXES:** (Check paragraph 1, 2, or 3 below)
- 69 ☐ 1. Current Year (Lien Basis in Arrears) Indiana Customary Proration: The taxes assessed for the current year, due and
70 payable in the year following closing, shall be prorated between Seller and Buyer on a calendar year basis as of the day
71 immediately prior to the Closing Date. All taxes assessed for any prior calendar year and remaining unpaid shall also be
72 paid by Seller.
- 73 ☐ 2. Prior Year (Cash Basis) Proration When Taxes Are Paid: The taxes assessed for the year prior to closing, due and
74 payable during the year of closing, shall be prorated between Seller and Buyer on a calendar year basis as of the day
75 immediately prior to the Closing Date. Buyer shall be responsible for all taxes assessed for the current year due and
76 payable in the year following closing.
- 77 ☐ 3. Installment Basis: Buyer will assume and pay all taxes on the Property beginning with the tax installment due and
78 payable on _____ and all taxes due thereafter. Seller shall pay all taxes for the Property due and
79 payable before such tax installment not assumed by Buyer.
- 80 For Purposes of 1, 2, and 3 above:
- 81 (A) If the tax rate or assessment for taxes assessed or payable in the year of closing has not been determined as of the Closing
82 date, the assessment or rate shall be assumed to be the same as the most recent assessment or rate.
- 83 (B) Taxes which are Seller's responsibility and not yet due as of the Closing Date, shall be credited against the purchase price
84 or cash portion thereof payable by Buyer at closing, and Seller shall have no further liability for such taxes.
- 85 (C) All taxes due and payable on or prior to the Closing Date and shall be paid at or before closing and charged at closing to the
86 responsible party.
- 87 (D) Buyer shall have the right to assume control and responsibility of all real estate tax appeals, and any rebates, refunds or
88 credits shall be prorated between Seller and Buyer as of the Closing Date.
- 89 (NOTE: The succeeding year's tax bill for recently constructed buildings or following reassessment periods may greatly exceed
90 the last tax bill available to the closing agent.)
- 91
- 92 **I. INSURANCE AND RISK OF LOSS:** Seller shall maintain replacement cost (if available) or actual cash value "all risk" insurance
93 on the Property through the Closing Date. Seller's insurance shall be canceled as of the Closing Date and Buyer shall provide
94 its own insurance thereafter. Risk of loss by damage or destruction to the Property prior to the Closing Date shall be borne by
95 Seller. Seller shall promptly provide Buyer with all insurance policies in its possession and if not in its possession, shall request
96 the same from its insurance agent and correspondence received or sent by Seller or its agent or insurance company relating to
97 the Property and the damage. Seller shall timely file a claim with its insurance company and shall not settle any claim with the
98 insurance company without Buyer's written consent. In the event any damage or destruction is not anticipated to be fully
99 repaired prior to closing, Buyer, at its option, within 15 days following the damage or destruction, may, by notice to Seller, either
100 terminate this Agreement or elect to close the transaction, in which event Seller's right to all insurance proceeds not yet applied
101 to repair of the damage or destruction shall be assigned in writing by Seller to Buyer at closing. Seller shall reimburse Buyer at
102 closing for any insurance deductible.
- 103 **J. CONDITIONS TO CLOSING:** Buyer's obligations under this Agreement are conditioned upon satisfaction of each of the following
104 items which are for the Buyer's benefit and may be waived by Buyer at Buyer's sole discretion within _____ days following the
105 Effective Date (the "Inspection Period").
- 106 1. **Title Commitment:** A commitment for title insurance (the "Commitment") issued by a reputable title insurance company
107 selected or approved by Buyer (the "Title Company") showing marketable title in Seller's name shall be ordered by
108 ☐ (Seller) ☐ (Buyer) promptly following the Effective Date upon acceptance of this Agreement and shall be delivered to
109 Buyer within _____ days following the Effective Date. At Buyer's request, legible copies of all recorded instruments
110 affecting the Property or recited as exceptions in the Commitment shall also be delivered.
- 111 2. **Survey:** A survey shall be ordered by Buyer promptly following the Effective Date and shall be furnished at ☐ (Seller's)
112 ☐ (Buyer's) expense within _____ days after the Effective Date. It shall be prepared by a licensed Indiana surveyor
113 selected by Buyer, shall comply with requirements for ALTA Surveys, shall reflect whether the Property is located in a
114 designated flood zone area and shall be certified to Seller, Buyer, the Title Company and Buyer's lender.
- 115 3. **Title and Survey Approval:** If Buyer has an objection to items disclosed in the Commitment or the survey, Buyer shall
116 make written objections to Seller within _____ days after receipt of both the Commitment and survey. Upon the
117 expiration of such period, any item not objected to by Buyer or subsequently approved by Buyer in writing shall be deemed a
118 permitted exception ("Permitted Exception"). If Buyer makes objections, Seller shall notify Buyer of its intent and have thirty
119 (30) days from the date the objections are made ("Seller Cure Period") to cure those Seller is willing to cure, and the Closing
120 Date shall be extended, if necessary. Seller shall not have any responsibility or duty to cure any objections. If the objections
121 are not satisfied within the time period, Buyer may, within 5 days following the Seller Cure Period, either terminate this
122 Agreement and receive a refund of the Earnest Money or waive the unsatisfied objections and close the transaction.

123 **4. Inspections: (Check paragraph (A) and/or (B) or paragraph (C) below)** Unless Buyer waives inspections under
124 paragraph (C), Buyer shall have determined that the Property has no unacceptable, adverse environmental or physical
125 condition as provided below.

126 ☐ (A) **Environmental Assessment:** A Phase I environmental site assessment ("Phase I") on the Property shall be ordered
127 by ☐ (Seller) ☐ (Buyer) promptly following the Effective Date at ☐ (Seller's) ☐ (Buyer's) expense from a reputable,
128 qualified engineer, acceptable to Buyer and shall be received by Buyer within _____ days following the Effective Date (the
129 "Environmental Report Date"). The Phase I shall be conducted in accordance with current ASTM standards unless
130 otherwise agreed and may also include at Buyer's option the following matters:

131 (1) an investigation for the presence of asbestos, radon, lead or polychlorinated biphenyls (PCBs) on the Property;
132 and/or

133 (2) an investigation to determine if the Property is located in any regulated or protected area under the jurisdiction of
134 the U.S. Army Corps of Engineers, the U.S. Environmental Protection Agency, the Indiana Department of
135 Environmental Management, the Indiana Department of Natural Resources, the U.S. Fish and Wildlife Service or
136 any other federal, state or local agency.

137 If Buyer does not make a written objection to any problem(s) revealed in the report prior to the end of the Environmental
138 Report Date, the environmental condition of the Property shall be deemed to be acceptable. If Buyer notifies Seller that
139 the environmental condition is unsatisfactory prior to the end of the Environmental Report Date ("Buyer's Environmental
140 Notice"), Seller shall notify Buyer of its intent to remediate such condition (the "Seller's Environmental Response") within
141 _____ days following receipt of Buyer's Environmental Notice and shall have a reasonable period of time, not to
142 exceed _____ days following Seller's Environmental Response to remediate the condition to Buyer's satisfaction and
143 the Closing Date shall be extended, if necessary. If Seller fails or refuses to remediate, Buyer may upon notice to Seller
144 within _____ days of Seller's Environmental Response either terminate this Agreement and receive a refund of the
145 Earnest Money or waive its objection and close the transaction.

146 ☐ (B) **Physical Inspections:** Promptly upon acceptance of this Agreement, all physical inspections shall be ordered at
147 ☐ (Seller's) ☐ (Buyer's) expense. Inspections shall be made by qualified inspectors or contractors, selected or
148 approved by Buyer, with written reports delivered to Seller and Buyer. Inspections may include but are not limited
149 to the following: heating, cooling, electrical, plumbing, roof, walls, ceilings, floors, foundation, basement, crawl space,
150 mold, water, storm and waste sewer, well/septic, geotechnical, other: _____. If Buyer,
151 in its reasonable discretion, believes that an inspection report reveals a major defect in or with the Property, Buyer
152 shall report such defect in writing to Seller within _____ days of receipt of the report. If Buyer does not make a written
153 objection to any problem(s) revealed in the report(s) within such time period, the Property shall be deemed acceptable to
154 Buyer. Seller shall notify Buyer of any repairs it intends on making and shall have a reasonable period of time, not to
155 exceed _____ days following receipt of any objections by Buyer prior to such time period, to repair any such major defect to
156 Buyer's reasonable satisfaction and the Closing Date shall be extended, if necessary. Seller shall have no responsibility or
157 duty to make any repairs. If Seller fails or refuses to repair, Buyer, within _____ days following Seller's notice of any repairs
158 it intends on making, may either terminate this Agreement and receive a refund of the Earnest Money or waive its
159 objection and close the transaction.

160 ☐ (C) **Waiver of Inspections:** BUYER HAS BEEN MADE AWARE THAT INDEPENDENT INSPECTION DISCLOSING THE CONDITION OF THE
161 PROPERTY ARE AVAILABLE, AND BUYER HAS BEEN AFFORDED THE OPPORTUNITY TO REQUIRE SUCH INSPECTIONS AS A CONDITION
162 OF THIS AGREEMENT. HOWEVER, BUYER WAIVES THE RIGHT TO OBTAIN INSPECTIONS AND RELIES UPON THE CONDITON OF THE
163 PROPERTY BASED UPON BUYER'S OWN EXAMINATION AND RELEASES SELLER AND LISTING AND SELLING BROKER(S) FROM ANY
164 AND ALL LIABILITY RELATING TO ANY PROBLEM, DEFECT OR DEFICIENCY AFFECTING THE PROPERTY, WHICH RELEASE SHALL
165 SURVIVE THE CLOSING.

166 ☐ (D) Buyer on behalf of itself and its successors and assigns acknowledges it is acquiring the Property "AS-IS" and has
167 determined to purchase the Property fully understanding (i) the physical condition of the Property including, without
168 limitation, all seismic elements, the environmental condition of the Property and hazardous materials on, under or about
169 the Property (collectively the "Condition"), and (ii) any law or regulation applicable to the Property, including, without
170 limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C.
171 Section 9601, et. seq.), the Clean Water Act (33 U.S.C Section 1251, et seq.), the Safe Drinking Water Act (42 U.S.C.
172 Section 300f, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.) and the Toxic
173 Substances Control Act (15 U.S.C Section 2601, et seq.) and any other federal, state or local laws relating to the
174 environment, natural resources, or public health and safety (collectively the "Laws"). Buyer on behalf of itself and its
175 successors and assigns waives its right to recover from, and forever releases and discharges, Seller, Seller's affiliates,
176 Seller's investment manager, management company, broker, and the partners, trustees, beneficiaries, shareholders,
177 members, managers, directors, officers, employees and agents of each of them, and their respective heirs, successors,
178 personal representatives and assigns, from and against any and all demands, claims, legal or administrative proceedings,
179 losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including without limitation,
180 attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, arising out of, relating to
181 or resulting from the Condition or the Laws. BUYER ACKNOWLEDGES AND AGREES THAT IT HAS BEEN
182 REPRESENTED BY LEGAL COUNSEL OF ITS CHOICE IN CONNECTION WITH THIS AGREEMENT AND THAT
183 SUCH COUNSEL HAS EXPLAINED TO BUYER THE PROVISIONS OF THIS SECTION 4(D).

184 Buyer and its agents shall have the right to enter upon the Property upon reasonable advance notice and make all inspections
185 provided for herein. Buyer shall restore any damage to the Property resulting from the entry of Buyer or its agents to Seller's
186 satisfaction and shall indemnify, defend and hold harmless Seller as to any injury to persons or damage to their property resulting
187 from the negligence of Buyer or its agents in conducting their activities on the Property. Prior to accessing the Property, Buyer shall
188 provide Seller with evidence of commercial general liability insurance of not less than \$1,000,000.00 and naming Seller as an
189 additional insured. These obligations shall survive termination of this Agreement or Closing.

190 **K. PRORATIONS AND SPECIAL ASSESSMENTS:** Interest on any debt assumed or taken subject to, any rents, all other
191 income and ordinary operating expenses of the Property, including but not limited to, public utility charges, shall be prorated as

(office use only)

of the day prior to the Closing Date. Any special assessments applicable to the Property for municipal improvements made to benefit the Property prior to the date of acceptance of this Agreement shall be paid by Seller at or before closing. At closing, Buyer will assume and agree to pay all special assessments for municipal improvements which are completed after acceptance of this Agreement.

- L. SALES EXPENSES:** All sales expenses are to be paid in cash prior to or at the closing as follows in addition to the other items described in this Agreement.

ITEM	(Check the applicable party who pays)	
	Seller	Buyer
1. Release of existing loans and recording releases	_____	_____
2. Closing Fee	_____	_____
3. Preparation of Deed and Vendor's Affidavit	_____	_____
4. New or assumed loan fees	_____	_____
5. Title search fee	_____	_____
6. Title Policy Premium-Owner	_____	_____
7. Title Policy Premium-Lender	_____	_____
8. Other Title Company Costs	_____	_____

- M. DEFAULT:** If Buyer breaches this Agreement, Seller may seek any remedy provided by law or equity, or terminate this Agreement and receive the Earnest Money as liquidated damages. If Seller breaches this Agreement, Buyer may terminate this Agreement and receive a refund of the Earnest Money, or Buyer may seek specific performance as its sole remedy at law or in equity. In the event of Seller default, Seller shall immediately be obligated to pay all brokerage commissions that would have been paid had this transaction closed. In the event of Buyer default, commissions may also be due and payable pursuant to the terms of the applicable brokerage agreements.

N. DUTIES OF BUYER AND SELLER AT CLOSING:

- 1. At the closing, Seller shall deliver or cause to be delivered to Buyer, at Seller's sole cost and expense, except as otherwise provided in this Agreement, the following:**

- (A) A duly executed and acknowledged Special Warranty Deed conveying marketable title in fee simple to all of the Property, free and clear of any and all liens, encumbrances, conditions, easements, assessments, reservations and restrictions, except Permitted Exception(s);
- (B) A pro-forma Owner's Policy of Title Insurance or marked up title commitment (the "Title Policy") issued by the Title Company in the amount of the purchase price, dated as of closing, insuring Buyer's fee simple title to the Property to be marketable subject only to the Permitted Exception(s), and deleting the standard printed exceptions contained in the usual form of the Title Policy;
- (C) An executed Vendor's Affidavit in form acceptable to the Title Company;
- (D) A Bill of Sale, duly executed by Seller, containing warranties of title, conveying title, free and clear of all liens, to any personal property specified in Paragraph B;
- (E) An assignment (the "Assignment"), duly executed by Seller, of leases, prepaid rents, security deposits, and trade name, and to the extent assignable, licenses and permits, warranties or guarantees, and to the extent agreed to be assumed by Buyer, all service, maintenance, management or other contracts relating to the ownership or operation of the Property. Such assignment shall include an indemnity from Seller in favor of Buyer with respect to all claims and obligations arising under such leases and contracts prior to the Closing Date. If Buyer does not agree to assume any such contract, then Seller shall deliver evidence of termination of such contract at closing and shall indemnify Buyer as to all claims and obligations thereunder;
- (F) A current rent roll duly certified by Seller and any security or tenant deposits, if applicable;
- (G) Evidence of its capacity and authority for the closing of this transaction;
- (H) Certification establishing that no federal income tax is required to be withheld under the Foreign Investment and Real Property Tax Act, or consent to withhold tax from the proceeds of sale as required, unless it is established that the transaction is exempt;
- (I) A Sales Disclosure Form as required by law ("SDF").
- (J) All other executed documents necessary to close this transaction.

- 2. At the closing, Buyer shall perform, at Buyer's sole cost and expense, except as otherwise provided in this Agreement, the following:**

- (A) Pay the cash portion of the purchase price in the form of a cashier's check (if the Purchase Price is under \$10,000) or other immediately available funds. If purchase price is \$10,000 or more, the funds shall be wired unconditionally to closing agent's escrow account;
- (B) Execute any note(s) and mortgage(s) and cause the funds to be made available to the closing agent for disbursement;
- (C) Provide evidence of its capacity and authority for the closing of this transaction;
- (D) Provide to Buyer's lender any title policy as required by the holder(s) of the mortgage(s);
- (E) The Assignment. Such assumption agreement shall include an indemnity from Buyer in favor of Seller as to claims and obligations arising under such leases and contracts assumed by Buyer from and after the Closing Date;
- (F) The SDF.
- (G) Execute all other documents necessary to close this transaction.

- O. CONDEMNATION:** Seller shall promptly notify Buyer in writing of the commencement of any condemnation proceedings against any portion of the Property. If such condemnation proceedings are commenced, Buyer, at its option, may (1) terminate this Agreement by written notice to Seller within seven (7) days after Buyer is advised of the commencement of condemnation proceedings, or (2) appear and defend in any condemnation proceedings, and any award shall, at Buyer's election, (a) become the property of Seller and reduce the purchase price by the same amount or (b) shall become the property of Buyer and the purchase price shall not be reduced.

P. MISCELLANEOUS:

- 1. Any notice required or permitted to be delivered shall be deemed received when personally delivered or when confirmed as received by facsimile (with a copy sent by United States mail), express courier or United States mail (postage prepaid, certified and return receipt requested) addressed to Seller or Buyer or their designee at the address set forth below the signature of each party. If no address is listed, then the address of the registered agent filed with the applicable Secretary of State for entities and the address of his/her broker for any individual.
- 2. This Agreement shall be construed in accordance with the laws of the State of Indiana.

(office use only)

3. Time is of the essence. Time periods specified in this Agreement and any addenda are calendar days and shall expire at 11:59 p.m. of the date stated unless the parties agree otherwise in writing.
4. This Agreement is binding upon and for the benefit of the parties' respective heirs, administrators, executors, legal representatives, successors, and assigns. Buyer may not assign this Agreement without the consent of Seller. No assignment of this Agreement shall release a party from liability for its obligations hereunder.
5. If any provision contained in this Agreement is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision.
6. This Agreement constitutes the entire agreement of the parties and cannot be changed except by their written consent.
7. By signing below, the parties to this transaction acknowledge receipt of a copy of this Agreement and give their permission to a Multiple Listing Service or other advertising media, if any, to publish information regarding this transaction.
8. Broker(s) may refer Buyer or Seller to other professionals, service providers or product vendors, including lenders, loan brokers, title insurers, escrow companies, inspectors, surveyors, engineers, consultants, environmental inspectors and contractors. Broker(s) has no responsibility for the performance of any service provider and/or inspector. Buyer and Seller are free to select providers/inspectors other than those referred or recommended to them by Broker(s).
9. Buyer discloses to Seller that Buyer is licensed and holds License # _____. Seller discloses to Buyer that Seller is licensed and holds License # _____.
10. Where the word "Broker" appears, it shall mean "Licensee" as provided in I.C. 25-34.1-10-6.8.
11. Any party who is the prevailing party against any other party in any legal or equitable proceeding relating to this Agreement shall be entitled to recover court costs and reasonable attorney fees from the non-prevailing party.
12. The parties agree that this Agreement may be transmitted between them electronically or digitally. The parties intend that electronically or digitally transmitted signatures constitute original signatures and are binding on the parties. The original document shall be promptly executed and/or delivered. This Agreement may be executed simultaneously or in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
13. Each person executing this Agreement on behalf of a party represents and warrants that he or she has been authorized by all necessary action to execute and deliver this Agreement on behalf of such party.

R. FURTHER CONDITIONS (List any additional provisions): _____

S. CONSULT YOUR ADVISORS: Buyer and Seller acknowledge they have been advised that, prior to signing this document, they should seek the advice of an attorney for the legal or tax consequences of this document and the transaction to which it relates. In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, environmental engineer, or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous and/or toxic materials and underground storage tanks.

U. TERMINATION OF OFFER: Unless accepted by Seller and delivered to Buyer by _____ ☐ (A.M.) ☐ (P.M.) ☐ (Noon), the _____ day of _____, _____, this Purchase Agreement shall be null and void and all parties shall be released of any and all liability or obligations.

BUYER'S SIGNATURE		DATE		BUYER'S SIGNATURE		DATE	
-------------------	--	------	--	-------------------	--	------	--

(office use only)

ACCEPTANCE OF PURCHASE AGREEMENT

SELLER'S RESPONSE: (Check appropriate paragraph number):

On _____, at _____ ☐ A.M. ☐ P.M. ☐ Noon

☐ **1. The above offer is Accepted.**

☐ **2. The above offer is Rejected.**

☐ **3. The above offer is Countered. See Counter Offer. Seller should sign both the Purchase Agreement and the Counter Offer.**

SELLER'S SIGNATURE

DATE

SELLER'S SIGNATURE

DATE

PRINTED

PRINTED

(AREA CODE) TELEPHONE NUMBER/FAX NUMBER

(AREA CODE) TELEPHONE NUMBER/FAX NUMBER

SELLER'S ADDRESS FOR NOTICE PURPOSES



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Form #F05. Copyright IAR 2025



_____(office use only)



PURCHASE AGREEMENT EXHIBIT A
COMMERCIAL-INDUSTRIAL REAL ESTATE
For use only by members of the Indiana Association of REALTORS®

349	Property Legal Description: _____
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PURCHASE AGREEMENT EXHIBIT B
COMMERCIAL-INDUSTRIAL REAL ESTATE
For use only by members of the Indiana Association of REALTORS®

- 404 (1) All leases and service or maintenance contracts, including all amendments and modifications of any of the foregoing for the
405 Property;
406
- 407 (2) The most recent title insurance policy relating to the Property, together with all documents evidencing the title exceptions
408 referenced therein or to be referenced in the Title Commitment;
409
- 410 (3) The prior Survey, if any;
411
- 412 (4) Copies of all environmental reports, soil reports and engineering reports relating to the condition of the Property;
413
- 414 (5) List of tangible personal property;
415
- 416 (6) All permits, licenses and certificate of occupancy with respect to the operation, use and occupancy of the Property; and
417
- 418 (7) List and description of all pending lawsuits and governmental proceedings affecting or relating to the Property.



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RESIDENTIAL LEASING VS. COMMERCIAL LEASING

RESIDENTIAL LEASING

DEFINITION: Leasing property used primarily for individuals or families to live in as their personal residence.

INCLUDES:

- Single-family homes, Condominiums, and townhomes
- Apartments (1–4 units for standard residential contracts)
- Individual dwelling units within multifamily buildings

PURPOSE: To provide housing for tenants on a personal or family basis.

REGULATION & LEGAL FRAMEWORK:

- Highly regulated to protect tenants.
- Security deposits, habitability, and evictions follow strict state laws.
- Lease forms are typically standardized.

LEASE STRUCTURE:

- Shorter lease terms (6–24 months).
- Fixed monthly rent with limited allowable increases.
- Landlord is responsible for most repairs and maintenance.

AGENTS TYPICALLY HANDLE: Tenant placement, move-in coordination, residential inspections, and basic rental negotiations.

COMMERCIAL LEASING

DEFINITION: Leasing property used for business operations, income production, or commercial activity.

INCLUDES:

- Office suites and buildings.
- Retail storefronts and shopping centers.
- Industrial and warehouse space.
- Multifamily buildings (5+ units — leased using commercial forms).
- Specialty uses (restaurants, medical, hospitality, flex space).

PURPOSE: To generate income, support business operations, or house commercial enterprises.

REGULATION & LEGAL FRAMEWORK:

- Less regulated consumer protections.
- Leases are highly negotiable.
- Legal review required for liability, CAM, exclusivity, renewals, and co-tenancy.

LEASE STRUCTURE:

- Longer lease terms (1–20 years).
- Multiple rent structures (NNN, Modified Gross, Full Service, etc.).
- Tenants often cover taxes, insurance, CAM, build-outs, and maintenance.

AGENTS TYPICALLY HANDLE: Business use requirements, financial analysis, lease abstracts, tenant improvement negotiations, site selection, and long-term investment considerations.



KEY DIFFERENCES

USE

Residential = Personal living
Commercial = Business operations

REGULATION

Residential = Consumer-focused,
tenant-protective
Commercial = Business-focused,
negotiable

TERM LEASE

Residential = Short (6–24 months)
Commercial = Long (1–20 years)

RENT TYPE

Residential = Simple fixed rent
Commercial = NNN, gross,
modified, percentage rent, etc

MAINTENANCE

Residential = Landlord usually
responsible
Commercial = Tenant often
responsible

COMPLEXITY

Residential = Simple, standardized
Commercial = Complex, customized

NEGOTIATIONS

Residential = Limited
Commercial = Extensive, legal-heavy

TYPICAL CLIENTS

Residential = Individuals & families
Commercial = Business owners,
investors, corporations

COMMERCIAL LEASE PAYMENT OPTIONS

HCRE Leases will require a separate office policy. This policy differs substantially from a commercial or residential sale.

SUMMARY

A MIBOR commercial agent is paid when:

1. The lease is fully executed (commission earned), and
2. Payment is made according to the Listing Agreement, typically:
 - At lease signing
 - At rent commencement
 - Or in installments as rent is paid

Commission is always paid by the Landlord, unless a written agreement states otherwise.

OPTION 1: PAID IN FULL AT LEASE EXECUTION

This is the most common structure for small to mid-size commercial spaces.

PAID WHEN:

- The lease is fully executed.
- All required deposits (security deposit, first month's rent) are delivered.

OPTION 2: PAID AT RENT COMMENCEMENT (MOVE-IN DATE)

Used when there are tenant improvements (TI), long build-out periods, or delayed occupancy.

PAID WHEN:

- Tenant takes possession or Tenant begins paying rent (whichever occurs first).

This protects the landlord if a tenant signs but never occupies.

OPTION 3: PAID IN INSTALLMENTS ("AS RENT IS COLLECTED")

Used for: Larger spaces, Multi-year leases, Percentage-rent retail, High-risk tenants, National tenant reps who require recurring payment.

TYPICAL STRUCTURE:

- 50% at lease execution
- 50% at rent commencement OR
- Pro-rata payments over the first 6–12 months of rent received

OPTION 4: LEASE RENEWALS & EXTENSIONS

MIBOR standard practice includes a commission clause for: Extensions, Renewals, Expansions, Options to lease additional space.

THESE FEES ARE TYPICALLY:

- 50% of the original commission, or
- A negotiable amount defined in the listing agreement
- Paid when the renewal/extension is executed

OPTION 5: TENANT REP VS. LISTING AGENT SPLITS (GENERAL MIBOR STRUCTURE)

Commercial leasing in Indiana typically follows:

- 50/50 split of the total commission





HCRE MARKETING & BRANDING

BRAND INTEGRITY & TEMPLATE USAGE:

To maintain a strong, unified, and professional brand presence, all agents (Elite and Fusion Agents) must exclusively use the official Highgarden Commercial Real Estate (HCRE) marketing templates provided by the company.

Custom logos, colors, or unapproved modifications to these templates are not permitted. The brand identity must remain consistent across all marketing channels and materials. Agents are required to follow the official *HCRE Brand Guidelines* at all times.

MARKETING SUPPORT & FINANCIAL RESPONSIBILITY:

- **ALL ELITE & FUSION AGENTS:**

The company provides the full suite of branded marketing templates. Agents are financially responsible for all property-specific marketing expenses, including but not limited to professional photography, printing, and digital ad spend.

- **ONLY FUSION AGENTS:**

All marketing materials must be co-branded with the assigned mentor or the HCRE Manager.

- **REFERRAL AGENTS:**

Referral Agents will receive a Referral Partner Kit, which includes a simple, branded digital asset they can share with potential clients to introduce the Commercial Division.

CUSTOM DESIGN SERVICES (OPTIONAL):

For unique properties or specific marketing needs that fall outside the standard templates, custom design services are available from the marketing department on a case-by-case basis at a rate of \$35/hour. All custom-created materials will strictly adhere to the *HCRE Brand Guidelines* and are subject to final approval from the National Director of Marketing.

APPROVAL PROCESS:

The mandatory marketing approval process applies to all external-facing materials, regardless of who covers the associated marketing expenses.

To submit materials for review:

- Email the artwork or draft to marketing@highgarden.com.
- **Approval must be obtained before printing, posting, or distributing any marketing content.**

BRAND GUIDELINES

FOR HIGHGARDEN COMMERCIAL REAL ESTATE





BRINGING OUR BRAND TO LIFE

The Highgarden Commercial Real Estate logos are designed specifically for our Commercial Division and are part of the broader Highgarden Real Estate brand. To maintain a strong and unified identity, we've established distinct logos for use in marketing materials. Please follow our standard Logo Usage Guidelines to ensure proper and consistent usage.

GENERAL MARKETING GUIDELINES

- All marketing must use the proper company trademarks, logos, and disclosures in accordance with state and local licensing laws, Equal Housing Organization regulations, and REALTOR® advertising guidelines.
- Agents must use the company logo, Equal Housing Organization logo, and applicable REALTOR® logo.
- All direct marketing pieces must include any required agency relationship disclosure (e.g., "If you are currently in an agency relationship with another REALTOR®, please disregard this advertisement").
- The company name, Highgarden Commercial Real Estate, must be prominently displayed in all advertising and easily identifiable to the public.
- All advertising quoting payments must include the required Truth in Lending disclosures..
- **All real estate-related advertising must be sent to the National Director of Marketing at marketing@highgarden.com for Corporate approval prior to printing and distribution.**

APPEARANCE OF COMPANY NAME

The Company Names should always appear as shown in bold below. Correct spelling is essential.

Highgarden Real Estate

Note: It is Highgarden Real Estate, not Highgarden Realty.

Highgarden Commercial Real Estate

Note: It is Highgarden Commercial Real Estate, not Highgarden Commercial.

When using acronyms for the companies, **HRE** and **HCRE** should be used.

HIGHGARDEN COMMERCIAL REAL ESTATE LOGO

The Highgarden Commercial Real Estate logo is required on all marketing materials. Below are the two versions of the logo that can be utilized.

STACKED LOGO



HORIZONTAL LOGO



USAGE GUIDELINES



CLEAR SPACE

Maintaining the appropriate clear space around the logo is vital to ensure that other graphic elements do not compromise its visual impact. Please leave a minimum clear space of 20 pixels around the logo. If resizing is necessary, make sure to maintain the original dimensions proportionately.

ASPECT RATIO

It is crucial to preserve the original aspect ratios of all logo types. Do not stretch or skew any company logo image. If a specific file dimension is necessary and the original file is being distorted to fit the template, please contact the marketing department. They will provide a properly adjusted image with the required dimensions and/or DPI for your use.



**THE LOGO SHOULD
BE NO SMALLER THAN
1 INCH IN WIDTH.**

LOGO COLOR VARIATIONS

The logo offers four approved color variations: full color (branded green and black), all black, all white, or white with a green “H.” Any color variation beyond these options will not receive approval.



THE HIGHGARDEN COMMERCIAL REAL ESTATE LOGOTYPE

The stacked or horizontal versions of the Highgarden Commercial Real Estate logo are the preferred choices. While there are specific instances where the Highgarden Commercial Real Estate logotype can be utilized, it is advised to **contact the Marketing Department before using this element.**



LOGO FILE TYPES

To prevent white or black squares around the logo, it is advisable to utilize the .PNG file format, which includes a transparent background. When providing images to companies for product manufacturing, it is recommended to supply vector images in .EPS format to achieve the best quality outcome.

IMAGE RESOLUTION

For optimal image quality in print, the logo files are configured at 300 DPI (dots per inch), and it is crucial to maintain this resolution. To adhere to this guideline, it is recommended to consistently utilize the original files instead of clipping or screenshotting them from any company website or marketing materials.

THE HIGHGARDEN “H” SYMBOL

The Highgarden “H” is a design element, **not the logo.** “The ‘H’ symbol is best used as a secondary design element, such as a watermark, a pattern in a background, or a social media profile picture where the full logo is not legible.

Please use the stacked or horizontal logos on all your marketing materials.





HCRE COLORS

This is the primary color palette used in Highgarden Commercial Real Estate's branding and marketing materials.



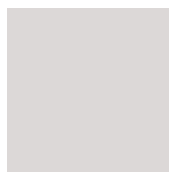
DARK GREEN
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RGB 0-151-17
CMYK 100-0-89-41
HEX 00713F



CHARCOAL
PMS Black 7 C
RGB 58-58-58
CMYK 69-62-61-52
HEX 3A3A3A



LIGHT GREEN
PMS 802 C
RGB 0-229-0
CMYK 68-0-100-0
HEX 00E500



LIGHT GRAY
PMS Cool Gray 1 C
RGB 224-222-223
CMYK 11-9-8-0
HEX E0E0DF

HCRE FONTS

These are the fonts incorporated within the Highgarden Commercial Real Estate branding. In case Trajan Pro and Open Sans are not accessible, alternative font options are also available.

TRAJAN PRO

A B C D E F G H I J K L M
N O P Q R S T U V W X Y Z
A B C D E F G H I J K L M
N O P Q R S T U V W X Y Z

Alternative font for Trajan Pro: Cinzel

Cinzel is a Google font and can be downloaded from this site: fonts.google.com

USED PRIMARILY FOR HEADLINES AND PULL QUOTES ("FOR SALE," PROPERTY ADDRESSES).

OPEN SANS

A B C D E F G H I J K L M
N O P Q R S T U V W X Y Z
a b c d e f g h i j k l m
n o p q r s t u v w x y z

Alternative fonts for Open Sans: Lato

Open Sans and Lato are both Google fonts and can be downloaded from this site: fonts.google.com

OPEN SANS BOLD- USED FOR SUBHEADS ("PROPERTY FEATURES," AGENT NAMES).
OPEN SANS REGULAR - USED FOR ALL BODY COPY (PROPERTY DESCRIPTIONS, CONTACT INFORMATION).

MARKETING MATERIALS FOR HCRE

The next few pages showcase the marketing materials available for Highgarden Commercial Real Estate. Agents are responsible for ordering their own business cards through Xpressdocs and creating social media posts using the provided templates. **To order signs or flyers, please contact the National Director of Marketing at marketing@highgarden.com**

BUSINESS CARD OPTIONS

Below are the two standard design options available for HCRE business cards, accessible in the Commercial section on Xpressdocs. Custom designs are also available upon request for an additional fee.

OPTION A



OPTION B



ADOBE EXPRESS & CANVA SOCIAL MEDIA TEMPLATES

Below are the social media template options available on Adobe Express and Canva to help you promote listings.



*Must be signed into your Adobe Express account to access the templates from the QR Code.

Adobe Express Templates*



Canva Templates



PROPERTY FLYER

This flyer can be customized to fit the specific property and the details that need to be highlighted. Page 1 provides a listing overview, a featured property photo, and a map showcasing nearby amenities or points of interest. Page 2 outlines the planned development for the site. Page 3 includes zoning details and relevant land use information.

FOR SALE

123 WEST MAIN STREET • CARMEL, IN 46032

HIGHGARDEN

COMMERCIAL REAL ESTATE

PRIME COMMERCIAL REAL ESTATE

Prime Commercial Real Estate in Pendleton, Indiana. Seize this exceptional opportunity in a rapidly growing area with high traffic visibility and ready-to-build lots. Positioned in close proximity to major highways and developments, this site offers unparalleled potential for commercial ventures.

PROPERTY FEATURES

- Close Proximity To I-69 Exit - In Excess of 63,000 Vehicles Daily
- Within Sight of Indiana West State Road 38 - In Excess of 11,000 Vehicles Daily
- All Utilities Available to Site
- Favorable Business Zoning - General Business District - GB, City of Pendleton
- Newly improved corridor, Town of Pendleton invested 2.8 Million Dollars Into
- Improvements Along Indiana State Road 38.
- 4.37 Acres, consisting of Three desirable outlots are available

NAME HERE

REALTOR®

317-000-0000

email@highgarden.com

website.com

FOR SALE

123 WEST MAIN STREET • CARMEL, IN 46032

HIGHGARDEN

COMMERCIAL REAL ESTATE

PLANNED DEVELOPMENT

- **UTILITY READY**
All essential utilities are available on-site, making it convenient and efficient to start your development.
- **READY FOR IMMEDIATE DEVELOPMENT**
An ideal location for retail, dining, or commercial ventures with great traffic visibility and favorable zoning.
- **TOTAL ACREAGE**
4.37 acres across three prime outlots.

4.37 ACRES IN PENDLETON, IN

Upcoming: Hotel Development

LOT ONE: 1.57 acres - Frontage
LOT TWO: 1.49 acres - Frontage
LOT THREE: 1.31 acres - Frontage

LAND USES - GENERAL BUSINESS DISTRICT (GB)				
PERMITTED USES	CONDITIONAL USES			
ACCESSORY USES <ul style="list-style-type: none">• ATM Machine• Food Truck• Solar Energy System* BUSINESS USES <ul style="list-style-type: none">• Local, regional, state, and federal agency• Professional/Business Office COMMERCIAL USES <ul style="list-style-type: none">• Automobile Sales• Automotive Parts & Supply (New)• Gun Sales• Liquor Store• Restaurant, Drive-Thru• Restaurant, Sit-down with Alcoholic beverages• Retail, General - Medium (6,001-39,000 sqft floor area)• Retail, general - small (<=6,000 sqft floor area)• Tobacco/Vape product sales ENTERTAINMENT USES <ul style="list-style-type: none">• Athletic Facility• Batting and driving range• Billiard Hall• Game Arcade• Miniature Golf• Recreation Center• Studio-Art, Music, Dance• Theater, Live• Theater, movie	INSTITUTIONAL USES <ul style="list-style-type: none">• Church or place of worship• Library/Museum/Art Gallery• Utility facility, public and private SERVICE USES <ul style="list-style-type: none">• Automobile service and gas station• Automotive repair• Bank/financial institution• Barber/beauty shop• Child care center• Copy services and printing shop• Dry cleaning - no flammables• Equipment rental• Funeral home• Health club• Janitorial Service• Photographer• Resort• Retail, service-oriented - medium (6,001-39,000 sqft floor area)• Retail, service-oriented - small (<=6,000 sqft floor area)• Tanning, microblading, and massage spa• Towing business• Veterinarian			
<small>See appendix A: Land Use Matrix for a complete list of uses. *Indicates use has specific development standards that apply. See Chapter 4: Use Development Standards.</small>				
DEVELOPMENT STANDARDS - GENERAL BUSINESS (GB)				
Development Standard	Land Use			
	Non-Residential			
STRUCTURE STANDARDS				
Maximum Height of Structure	Primary Structure	55 Feet		
	Accessory Structure	18 Feet		
LOT STANDARDS				
Minimum Road Frontage and Lot Width	40 Feet			
Lot Areas	Minimum Area	6,000 Feet		
	Maximum Area	5 Acres		
Minimum Front yard setback (or average block setback, whichever is less. See Section A.5b of this Chapter)	Principle Arterial	75 Feet		
	Minor Arterial	75 Feet		
	Collector Street	50 Feet		
	Local Street	40 Feet		
Minimum Side Yard Setback	Primary Structure	10 Feet		
	Accessory Structure	5 Feet		
Minimum Rear Yard Setback	Primary Structure	10 Feet		
	Accessory Structure	5 Feet		
Maximum Impervious Surface Coverage	60%			
UTILITY STANDARDS				
Municipal water and sewer required	Yes			

HIGHGARDEN

COMMERCIAL REAL ESTATE

HOW TO ORDER A FLYER/FLYER PACKET:

Contact the National Director of Marketing at marketing@highgarden.com with the details you want included on the flyers and any images you'd like to use.

Cost: \$35/hr for design services

AERIAL IMAGES:

If you need aerial photos highlighting surrounding businesses near your listing, reach out to the National Director of Marketing. The cost for these images is also \$35/hour for design services.

HCRE SOP | Updated 12/2025

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Updated 1/2026

SIGN PRICING & DESIGN OPTIONS



On the following pages, you'll find the sign design options available for the Highgarden Commercial Real Estate Division. Please note that custom branding is not permitted within the Commercial Division.

Below is the pricing for the signage options available through Highgarden Commercial Real Estate.

SIGN PRICING

SIGN	SIZE	MATERIAL	PRICE
24x72 Banner (1-sided)	24"x 72"	Vinyl + Grommets	\$42.00*
36x96 Banner (1-sided)	36"x96"	Vinyl + Grommets	\$63.00*
Large Square Sign (1-sided)	48"x48"	10mm Coroplast	\$112.80*
Large Rectangle Sign (1-sided)	48"x96"	10mm Coroplast	\$225.60*
Shingle (2-sided)	24"x30"	Metal	\$45.00*
96x12 Rider (2-sided)	96"x12"	Alumalite	\$100.00*
48x12 Rider (2-sided)	48"x12"	Alumalite	\$53.00*
Wooden Posts (For the large signs - Cost includes 2 posts)	8' tall	Wood	\$88.23*
Large Sign Installation (Metro Indy Area)**	-	-	\$175.00*
Large Sign Removal (Metro Indy Area)**	-	-	\$125.00*

*Price listed does not include tax. Final total charged will include tax. **Installation cost is for the Indy Metro Area. Anything outside of that will incur additional cost. When a large sign is removed, the vendor can deliver it back to you; however, they do not offer storage for large signs.

HOW TO ORDER YOUR SIGNAGE

To order a sign, **please contact the National Director of Marketing at marketing@highgarden.com.**

1. Let he/she know which sign design and option you'd like to order.
2. The National Director of Marketing will create a PDF proof of your signage and send it for your review.
3. Once approved, let the National Director of Marketing know whether you'd like our vendor to handle installation or if you'll be installing it yourself. **NOTE: if you install yourself, you are responsible for calling 811 prior to installation.**
4. After receiving your approval and installation preference, she'll place the order on your behalf.

If you need a sign in a different size, contact the National Director of Marketing, and he/she will coordinate a custom design for you. Please note, signs outside the standard designs may incur an additional design fee.

24X72 BANNER OPTIONS\$42 EA.

The banners are printed on durable vinyl and include grommets for easy installation. Wind slits can be added as needed, depending on the project. Production takes about three business days. Installation incurs additional fees and extends the timeline.

OPTION A

FOR SALE

AGENT NAME • REALTOR®

123-456-7890



HIGHGARDEN
— COMMERCIAL REAL ESTATE —

OPTION B

FOR LEASE

AGENT NAME • REALTOR®

123-456-7890



HIGHGARDEN
— COMMERCIAL REAL ESTATE —

OPTION C

SALE/LEASE

AGENT NAME • REALTOR®

123-456-7890



HIGHGARDEN
— COMMERCIAL REAL ESTATE —

36X96 BANNER OPTIONS\$63 EA.

The banners are printed on durable vinyl and include grommets for easy installation. Wind slits can be added as needed, depending on the project. Production takes about three business days. Installation incurs additional fees and extends the timeline.

OPTION A

FOR SALE

AGENT NAME • REALTOR®
123-456-7890



OPTION B

FOR LEASE

AGENT NAME • REALTOR®
123-456-7890



OPTION C

SALE/LEASE

AGENT NAME • REALTOR®
123-456-7890



48X48 LARGE SQUARE SIGN OPTIONS\$112.80 EA.

These large square signs are printed on durable corrugated plastic and mounted on sturdy wooden posts. Please note that **the listed price covers a one-sided sign only and does not include wooden posts or installation.** Double-sided signs are available at an additional cost. Refer to the *Sign Pricing Chart* for details on post and installation fees. **If you plan to install the signs yourself, you must call 811 before beginning installation—no exceptions.** Production takes about three business days. Installation incurs additional fees and extends the timeline.

OPTION A



OPTION B



OPTION C



OPTION D



OPTION E



OPTION F



12X48 LARGE SQUARE SIGN RIDER OPTIONS\$53 EA.

These riders are designed to pair with the large square signs and can be customized with any text you need. Production takes about 3 business days. Installation incurs additional fees and extends the timeline.

OPTION A



OPTION B



48X96 LARGE RECTANGLE SIGN OPTIONS.....\$225.60 EA.

These large rectangle signs are printed on durable corrugated plastic and mounted on sturdy wooden posts. Please note that **the listed price covers a one-sided sign only and does not include wooden posts or installation.** Double-sided signs are available at an additional cost. Refer to the *Sign Pricing Chart* for details on post and installation fees. **If you plan to install the signs yourself, you must call 811 before beginning installation—no exceptions.** Production takes about three business days. Installation incurs additional fees and extends the timeline.

OPTION A



OPTION B



OPTION C



OPTION D



OPTION E



OPTION F



12X96 LARGE RECTANGLE SIGN RIDER OPTIONS.....\$100 EA.

These riders are designed to pair with the large rectangle signs and can be customized with any text you need. Production takes about 3 business days. Installation incurs additional fees and extends the timeline.

OPTION A



OPTION B



SHINGLE OPTIONS \$45 EA.

These signs are crafted from durable 3mm metal and include grommets at the top for easy hanging on wooden posts. Production takes about three business days.

OPTION A



OPTION B



PLEASE NOTE: The headline at the top of the shingle sign can be changed to Lease or Sale/Lease. When placing your order, please specify which option you'd like it to display.

FOR WOODEN POST INSTALLATION FOR SHINGLE SIGNS (ONLY):

We recommend using Real Estate Sign Services for professional post installation. Additional installation fees apply, and this vendor can also store your signs.

PLEASE NOTE: this vendor does **not** install the large square and rectangle signs shown on pages 31–32.

Contact them at **317-251-0131** or visit **RealEstateSignService.com** for more information.

SELF INSTALLATION:

You may purchase a wooden post from Amazon (or another vendor) and install it yourself.

NOTE: Any installation involving posts or ground digging must comply with safety regulations. Agents are required to **contact 811 before digging** to have underground utilities properly marked.

APPENDIX

FOR HIGHGARDEN COMMERCIAL REAL ESTATE



HIGHGARDEN
— COMMERCIAL REAL ESTATE —

COMMERCIAL REAL ESTATE TERMS

CORE TERMS

1031 EXCHANGE

A tax-deferred exchange allowing investors to reinvest proceeds from one property sale into another similar asset.

ABSORPTION RATE

The pace at which available properties are leased or sold in a specific market over a defined period.

ADD-ON FACTOR

The ratio of rentable area to usable area, reflecting a tenant's proportionate share of common areas.

ADJUSTED BASIS

The property's original cost basis plus capital improvements, minus depreciation and partial sales.

BALLOON PAYMENT

A large payment due at the end of a loan term to repay the remaining balance.

BASE RENT

The minimum rent specified in a lease agreement, excluding additional operating or CAM charges.

BROKER OPINION OF VALUE (BOV)

An estimate of a property's market value provided by a licensed broker, often used before an appraisal.

BUILD-TO-SUIT

A development arrangement in which a landlord constructs a property according to a tenant's specifications.

CAM (COMMON AREA MAINTENANCE)

Tenant-paid expenses covering shared property upkeep, such as landscaping and janitorial services.

CAPITAL EXPENDITURE (CAPEX)

Funds used to acquire, upgrade, or maintain a property to extend its useful life.

CAPITALIZATION RATE (CAP RATE)

A metric used to estimate return on investment by dividing NOI by purchase price.

CASH FLOW

The net amount of cash generated by a property after operating expenses and debt service.

DEBT SERVICE COVERAGE RATIO (DSCR)

The ratio of net operating income to annual debt obligations; used to assess loan risk.

DUE DILIGENCE

The investigation period in which a buyer examines financial, physical, and legal aspects of a property before closing.

EQUITY

The difference between a property's market value and the total outstanding debt owed on it.

FLEX SPACE

A versatile commercial building type combining office and warehouse uses, adaptable to different tenants.

GROSS LEASABLE AREA (GLA)

The total floor area available for tenant occupancy and exclusive use, including mezzanines and basements.

HIGHEST AND BEST USE

The most profitable, legally permissible, and physically possible use of land or property.

INDUSTRIAL PROPERTY

Real estate designed and zoned for manufacturing, production, distribution, or storage of goods.

LETTER OF INTENT (LOI)

A preliminary agreement outlining the basic terms and conditions before a formal lease or purchase contract is executed. It signals serious intent but is typically non-binding.

MARKET VALUE

The estimated price a property would sell for in an open and competitive market.

MULTIFAMILY PROPERTY

A residential property containing multiple separate housing units, typically five or more.

NET OPERATING INCOME (NOI)

Gross income from a property minus all operating expenses before debt service and taxes.

OFFICE PROPERTY

A property designed for professional, administrative, or business operations, classified as Class A, B, or C.

PROPERTY TYPE

A classification based on a property's primary use, such as retail, industrial, office, or multifamily.

RETAIL PROPERTY

Properties used to market and sell consumer goods and services to the public.

VACANCY RATE

The percentage of available units or space unoccupied in a property or market during a specific period.

ZONING

Local government regulations defining how specific parcels of land may be used or developed.

COMMERCIAL REAL ESTATE TERMS

ADVANCED TERMS

CAPITAL STACK

The hierarchy of debt and equity financing used to fund a real estate investment, typically including senior debt, mezzanine debt, preferred equity, and common equity.

CASH-ON-CASH RETURN

A measure of investment performance comparing pre-tax cash flow to the total cash invested.

COST APPROACH

A valuation method estimating property value by calculating the cost to rebuild minus depreciation.

DISCOUNTED CASH FLOW (DCF)

A valuation model using projected future cash flows discounted to their present value.

ENTITLEMENT

The legal process of obtaining government approval for a proposed property development.

FLOOR AREA RATIO (FAR)

The ratio of a building's total floor area to the size of its lot, used to measure development density.

GROUND LEASE

A long-term lease allowing a tenant to develop land, with improvements reverting to the owner upon expiration.

INTERNAL RATE OF RETURN (IRR)

The discount rate that makes the net present value (NPV) of all future cash flows equal to zero.

LOAN-TO-VALUE RATIO (LTV)

The ratio of the loan amount to the property's appraised value or purchase price.

MASTER PLAN

A comprehensive community planning document guiding future zoning, development, and land use.

OPERATING EXPENSE STOP

A lease clause establishing the maximum level of operating expenses the landlord will pay before tenant participation begins.

PRO FORMA

A financial statement projecting future income, expenses, and cash flow based on assumptions about a property's performance.

RETURN ON INVESTMENT (ROI)

The percentage gain or loss on an investment relative to the capital invested.

SALE-LEASEBACK

A transaction where a property owner sells the asset and leases it back from the buyer, converting equity to cash.

STABILIZED PROPERTY

A property that has achieved expected occupancy and income levels consistent with market standards.

TENANT IMPROVEMENTS (TI)

Alterations made to leased space to meet tenant needs, often negotiated between tenant and landlord.

TRIPLE NET LEASE (NNN)

A lease requiring the tenant to pay property taxes, insurance, and maintenance in addition to base rent.

VALUE-ADD PROPERTY

An investment property that offers the opportunity to increase value through renovation or operational improvements.

WEIGHTED AVERAGE LEASE TERM (WALT)

The average remaining lease term across all tenants, weighted by the square footage each occupies.

YIELD

The annual return on an investment, expressed as a percentage of cost or market value.

COMMERCIAL LEASE TERMS

CORE TERMS

AD VALOREM TAX

A tax based on the assessed value of a property, often referred to as property tax.

ASSIGNMENT

A transfer of leasehold interest in which the tenant conveys their entire remaining lease term and rights to another party.

ATTORNMEN

Acknowledgment by a tenant of a new landlord's ownership and agreement to continue paying rent to that landlord.

BASE RENT

The minimum rent amount stated in the lease, excluding additional charges such as CAM or utilities.

BUILD-TO-SUIT LEASE

A lease agreement in which the landlord constructs a building or improvements to the tenant's specifications.

CAM (COMMON AREA MAINTENANCE)

Expenses shared among tenants to maintain common areas, including parking lots, landscaping, lighting, and snow removal.

CONTINGENCIES

Special clauses in a lease that depend on certain events, such as financing approval or tenant occupancy conditions.

ESCALATION CLAUSE

A lease clause allowing periodic rent increases to reflect rising expenses such as taxes or operating costs.

ESTOPPEL

A legal doctrine preventing a party from denying previous statements or actions when others have relied upon them.

FORCE MAJEURE

A lease provision excusing performance obligations due

to events beyond control, such as natural disasters or government actions.

GRADUATED LEASE

A lease with scheduled rent increases at set intervals during the term.

GROSS LEASE

A lease in which the tenant pays a fixed rent while the landlord covers property expenses, including taxes and insurance.

HOLDOVER TENANT

A tenant who remains in possession of the property after the lease term expires without formal renewal.

INDEX LEASE

A lease where rent adjustments are tied to an index, such as the Consumer Price Index (CPI).

LEASEHOLD ESTATE

The tenant's legal interest or right to occupy and use leased premises for the lease term.

LETTER OF INTENT (LOI)

A preliminary agreement outlining key terms before a formal lease is signed.

NET LEASE

A lease requiring the tenant to pay rent plus some or all of the property's operating expenses, taxes, and insurance.

OPERATING EXPENSES (OpEx)

Costs associated with operating and maintaining the property, including utilities, repairs, and management fees.

OPTION TO RENEW

A tenant's right to extend the lease for an additional term under pre-agreed conditions.

PERMITTED USE

The specific activities or business operations the tenant is allowed to conduct on the premises.

RENT ABATEMENT

A temporary reduction or suspension of rent payments due to specific conditions such as property damage or construction delays.

RENT ESCALATION

An increase in rent over time, based on a formula, index, or pre-agreed schedule.

RIGHT OF FIRST REFUSAL

A tenant's right to match an offer if the landlord decides to lease or sell the property.

SECURITY DEPOSIT

Funds held by the landlord as security for tenant performance, typically refundable upon satisfactory lease completion.

SUBLEASE

A transfer of part of a tenant's interest or remaining term to another party, while the original tenant remains liable under the lease.

SUBORDINATION CLAUSE

A clause establishing the priority of mortgages or leases in case of foreclosure or refinancing.

TENANT IMPROVEMENTS (TI)

Alterations or build-outs made by or for the tenant to customize leased space for business use.

TERM

The duration of the lease agreement, specifying the start and end dates.

TRIPLE NET LEASE (NNN)

A lease in which the tenant pays rent plus property taxes, insurance, and maintenance costs.

UPKEEP

The responsibility for maintenance and repair of the leased premises as defined in the lease.

CORE TOPICS FOR RESIDENTIAL AGENTS LEARNING COMMERCIAL REAL ESTATE



1. DIFFERENCES BETWEEN RESIDENTIAL & COMMERCIAL LEASING

See content of page 1.

2. COMMERCIAL PROPERTY TYPES & HOW THEY FUNCTION

- OFFICE – Class A/B/C, parking ratios, load factors
- RETAIL – anchors, trade-area demographics, co-tenancy
- INDUSTRIAL – clear height, docks, power requirements
- MULTIFAMILY (5+ units) – income-based valuation
- Specialty properties (medical, hospitality, mixed-use)

3. COMMERCIAL REAL ESTATE UNDERWRITING FUNDAMENTALS

- Property income (NOI)
- Operating expenses (OpEx)
- Rent rolls and pro formas
- Vacancy allowances and market risk
- Stabilization vs. value-add strategy

4. OPERATING EXPENSES (OpEx) & FINANCIAL DRIVERS

- Property taxes, insurance, and maintenance
- Utilities, management fees
- Estimated vs. actual expenses
- CapEx vs. OpEx distinction

5. CRITICAL COMMERCIAL DOCUMENTS

- Offering Memorandums (OMs)
- Financial statements and P&Ls
- Rent rolls
- Environmental reports (Phase I ESA)
- ALTA surveys and title commitments
- Easements, restrictions, CC&Rs

6. REPRESENTATION & CLIENT EXPECTATIONS

- Investor needs: cash flow, IRR, CAP rate, tax impact
- Owner-user needs: space, utilities, expansion, zoning
- Understanding business operations

7. DUE DILIGENCE ESSENTIALS

- Zoning verification
- Environmental assessments
- Structural/roof inspections
- Utility verification (MEP)
- ADA compliance and fire code
- Easement review

CORE TOPICS FOR RESIDENTIAL AGENTS LEARNING COMMERCIAL REAL ESTATE CONTINUED

8. COMMERCIAL FINANCIAL METRICS

- NOI, CAP Rate, GRM
- Cash-on-Cash return
- IRR (Internal Rate of Return)
- Debt Service and DSCR
- Expense ratios and sensitivity analysis

9. VALUATION PRINCIPLES

- Income Approach (primary)
- Sales Comparison Approach
- Cost Approach
- Market absorption and vacancy analysis
- Replacement cost and depreciation

10. COMMERCIAL MARKETING SYSTEMS & PLATFORMS

- CoStar, LoopNet, Crexi
- Property websites and digital brochures
- Drone and architectural photography
- GIS and demographic mapping

11. SHOWINGS & BUILDING TOURS

- Identifying building systems (HVAC, electrical, mechanical)
- Industrial touring safety
- Evaluating parking, loading, signage, and visibility

12. LEGAL & REGULATORY BASICS

- Zoning classifications
- Permitted vs. conditional uses
- Environmental regulations
- Easements and encroachments
- ADA requirements

13. NEGOTIATION STRATEGY & BUSINESS THINKING

- Economics-driven negotiations
- Investment objectives
- Risk mitigation
- Highest and best use analysis
- Market leverage

14. ESCROW, FUNDS & COMMERCIAL CLOSING PRACTICES

- Earnest money handling
- Environmental/survey objections
- Commercial title review
- Closing cost expectations
- Corporate vs. personal signatures

15. PROFESSIONALISM & COMMERCIAL COMMUNICATION

- Financial accuracy and precision
- Mastery of commercial terminology
- Investor-grade communication
- Data-backed recommendations



CORE TOPICS FOR RESIDENTIAL AGENTS LEARNING COMMERCIAL LEASING



1. DIFFERENCES BETWEEN RESIDENTIAL & COMMERCIAL LEASING

See content of page 17.

2. PROPERTY TYPES & HOW THEY LEASE:

OFFICE

- Full-Service Gross vs. Modified Gross
- Common area factors and load factors
- Parking ratios

RETAIL

- NNN leases
- Percentage rent
- Co-tenancy clauses
- Exclusive-use clauses

INDUSTRIAL

- Clear height
- Dock vs. drive-in access
- Warehouse office split
- Yard space

MULTIFAMILY (5+ UNITS)

- Considered commercial, even if residential in use
- Different underwriting and leasing rules

3. LEASE STRUCTURES (THE HEART OF COMMERCIAL LEASING)

- NNN (Triple Net)
- Modified Gross
- Full-Service Gross (FSG)
- Absolute Net
- Percentage Leases (Retail)
- Industrial Gross

And what each one means for:

- Tenant responsibilities
- Landlord absorption of costs
- Rent escalations
- Operating expenses (OpEx)
- CAM (Common Area Maintenance)

This separates commercial agents from amateurs.

4. UNDERSTANDING OPERATING EXPENSES (OpEx)

- Property taxes
- Insurance
- Maintenance
- Utilities
- CAM breakdown
- Management fees
- OpEx pass-throughs
- Estimated vs. actual reconciliations

CORE TOPICS FOR RESIDENTIAL AGENTS LEARNING COMMERCIAL LEASING CONTINUED

5. COMMERCIAL LEASING DOCUMENTS

- Letter of Intent (LOI)
- Exclusive Right to Lease Agreements
- MIBOR Commercial Lease
- Tenant Rep Agreements
- Estoppel Certificates
- Personal Guarantees
- Sublease and Assignment clauses

6. TENANT & LANDLORD REPRESENTATION LANDLORD REP SKILLS

- Pricing strategy
- Vacancy reduction
- Suite tours
- Tenant screening
- Marketing packages

TENANT REP SKILLS

- Space needs analysis
- Touring commercial buildings
- Negotiating concessions
- Expansion options
- Understanding tenant improvements (TI)

This is where commercial agents earn respect.

7. TENANT IMPROVEMENTS (TI) & BUILD-OUTS

- Shell condition
- White-box condition
- TI allowances
- Landlord-delivered scope
- Timeline for construction
- Impact on rent commencement

8. FINANCIAL ANALYSIS BASICS

- Price per square foot (annual vs. monthly)
- Load factor calculations
- Effective rent
- Net rent vs. gross rent
- Cap rate basics (even if not selling)
- OpEx recovery
- Lease economics (NPV, TI amortization, etc.)

9. COMMISSION STRUCTURES & HOW AGENTS GET PAID

- Commission earned at lease execution
- When commission is paid (execution, rent start, installments)
- Renewal commissions
- Expansion commissions
- Co-broker splits
- Landlord-paid vs. tenant-paid agreements

10. MARKETING COMMERCIAL LISTINGS

- CoStar
- LoopNet
- Crexi
- Commercial signage
- Offering memorandums
- Stacking plans
- Floor plans and CAD drawings

11. SHOWINGS & ACCESS PROCEDURES

- Lockbox approvals
- After-hours access
- Security clearances
- Showing industrial equipment
- Retail trade area analysis

12. LEGAL & REGULATORY FUNDAMENTALS

- ADA requirements
- Environmental risk (Phase I ESA)
- Zoning classifications
- Business use approvals
- Fire/occupancy codes
- Non-discrimination rules

13. NEGOTIATION STRATEGY & BUSINESS-LEVEL THINKING

- Business operations
- Revenue projections
- Expenses
- Location relevance
- Risk mitigation

14. ESCROW, DEPOSITS & GUARANTEES

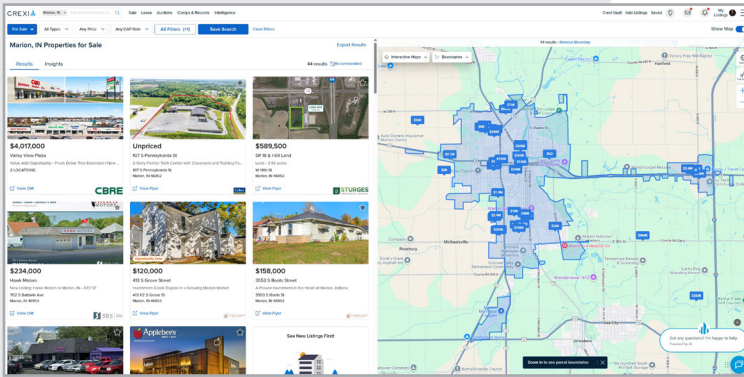
- Security deposits
- Last month's rent
- Personal guarantees
- Corporate guarantees
- Fit-out deposits

15. PROFESSIONALISM, VOCABULARY & COMMUNICATION STYLE

- Precision
- Data-backed statements
- Correct terminology
- Clear financial breakdowns
- Professional demeanor

COMMERCIAL REAL ESTATE PLATFORMS

INSIDE THE CREXI PLATFORM

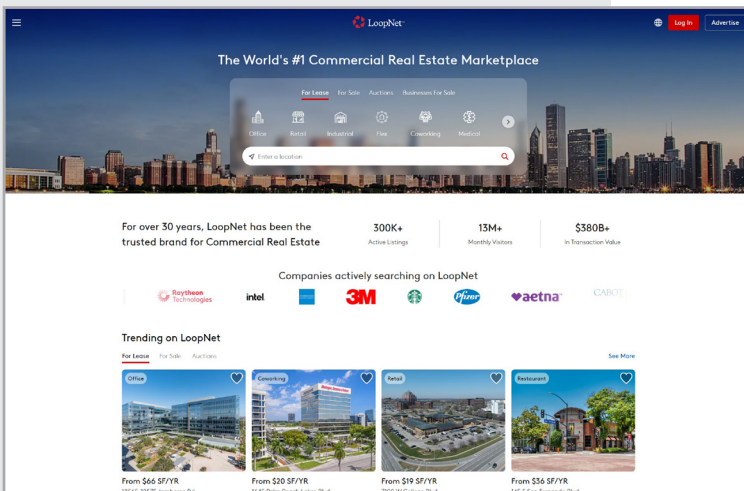


CREXI

Crexi (Commercial Real Estate Exchange, Inc.) is an online marketplace and technology platform used to buy, sell, and lease commercial real estate. It provides listing exposure, underwriting tools, lead tracking, auction capabilities, and marketing resources. Crexi is known for its user-friendly design and strong national investor reach.

A Crexi Pro Agent gains significant advantages through enhanced listing visibility, advanced lead intelligence, and superior marketing tools. Pro agents receive priority placement in search results, access to detailed lead profiles, and the ability to directly message prospects, resulting in faster and higher-quality deal flow. They also benefit from expanded market data, sales and lease comps, and professional marketing materials that help them win listings and better serve clients. Overall, Crexi Pro provides stronger exposure, deeper analytics, and a clear competitive edge in commercial real estate.

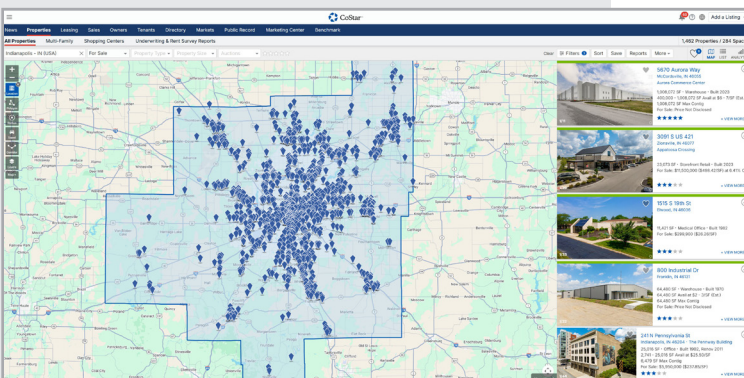
INSIDE THE LOOPNET PLATFORM



LOOPNET

LoopNet is one of the largest commercial real estate listing platforms in the United States. It offers extensive exposure for properties across all asset types, including office, retail, industrial, multifamily, land, and specialty uses. Brokers rely on LoopNet to market properties to both investors and tenants.

INSIDE THE COSTAR PLATFORM



COSTAR

CoStar is the industry's most robust commercial real estate data and analytics platform. It provides verified property information, sales and lease comps, market analytics, tenant data, demographics, and research tools. CoStar is widely used by brokers, appraisers, investors, and institutions for market intelligence.



HIGHGARDEN

— COMMERCIAL REAL ESTATE —

*All information in this Standard Operating Procedures document for Highgarden Commercial Real Estate will **take effect on January 1, 2026, for all new business**. This handbook is proprietary and confidential. Redistribution or sharing without written authorization from Highgarden Real Estate is strictly prohibited.*

