

AN ANNOTATED READING

The Letter of Intent

Cooperative Pursuit of a Village Town Center

This is the December 22, 2025 draft of the Letter of Intent that the Village of Palm Springs and the Community Redevelopment Agency are circulating to property owners in the South Village (SoVi) district. The text below is reproduced verbatim from the publicly circulated draft.

FairSoVi has added eight margin-style callouts — one for each provision that materially binds property owners while imposing no comparable obligation on the Village or the CRA. Each callout explains, in plain English, what the clause does to an owner who signs.

What to look for as you read:

- No termination right and no deadline (Article 2)
- Owner waives jury trial and most damages (Articles 5, 7)
- Owner cannot transfer or assign without Village consent (Article 8)
- LOI binds the owner on signing — but does not take effect until the Village Manager approves it (final paragraph)

Document version annotated: 12.22.25 draft

Annotations prepared: December 2025

Source: FairSoVi (fairsovi.com)

LETTER OF INTENT FOR THE COOPERATIVE PURSUIT OF A VILLAGE TOWN CENTER

This Letter of Intent ("LOI") is entered into as of _____ ("Effective Date"), between the Village of Palm Springs, Florida, a municipal corporation, having offices at 226 Cypress Lane, Palm Springs, FL 33461 ("Village"), the Palm Springs Community Redevelopment Agency, an entity created pursuant to Chapter 163, Florida Statutes, having offices at 226 Cypress Lane, Palm Springs, FL 33461 ("CRA"), and _____ having a principal address of _____, Palm Springs, FL 33461 ("Owner"). Village, CRA, and Owner are collectively referred to as the "Parties" and individually as a "Party".

The purpose of this LOI is to set forth certain binding and non-binding provisions pertaining to the Parties' desire to leverage their combined efforts to create a Village Town Center through a beneficial engagement with a top-tier developer for the purchase of the Owner's property (as defined below) and utilization of the Village's and CRA's Incentives (as defined below) in conjunction with other similarly situated property owners towards the end goal of redeveloping the Village's Urban Village Overlay area and CRA's Community Redevelopment Areas with sustainable mixed-use oriented projects. By working together, and not separately, the Village, CRA, and the Owner can achieve their dual purposes of maximizing the Owner's property value and the Village and CRA obtaining in relatively short-order a dedicated Town Center.

PART I

The following Paragraphs, A and B reflect the Parties' current understanding of the efforts described, but are not legally binding and do not impose an enforceable obligation on either Party except as provided in Part II hereof.

A. The Owner is the owner of the following described real property within the Village of Palm Springs:

Physical Address: _____

Legal Description: _____

PCN: _____
("Property").

The Owner is interested in pursuing a development opportunity with the Village, the CRA, and a third party, top tier developer to obtain a beneficial offer for the purchase of the Property.

B. The Village adopted the Urban Village Overlay, which will create additional flexibility in the redevelopment of the Property and similarly situated properties within the Village's Urban Village Overlay area and the CRA's Community Redevelopment Areas and which will provide certain incentives to the developer for redevelopment of the Property and similarly situated properties with sustainable mixed-use projects.

C. The Village and the CRA have been engaging with local and regional top-tier developers to spur interest in the redevelopment of the Village's Urban Village Overlay area and the CRA's Community Redevelopment Areas into a dedicated Town Center. The Village and the CRA desire to include in such engagements a representation that the Village and the CRA have developed an assemblage of property owners, including but not limited to the Owner, who are eager and willing to work in good faith with a developer to obtain a beneficial purchase offer from the developer for the owners' property. In turn, the Village and the CRA through the Village's adopted Urban Village Overlay and the CRA's Tax Increment financing ("TIF") will offer the developer flexibility and incentives for a sustainable mixed-use project on the assembled properties to foster the creation of the Village Town Center. It is anticipated that multiple property owners will work with the Village to form a cooperative negotiation front to maximize the developable area and create more value for each property involved on a price per square footage or total acreage basis. The Village and CRA believe individual, smaller property sales will not create the same synergy, added value, or unified redevelopment of the area. The Parties understand that additional discussions and negotiations with respect to finalizing an agreement with a developer ("Agreement") is still needed including, but not limited to, pricing per square foot for the assemblage of property ("Items to be Finalized").

ANNOTATION · RECITAL ¶3

The Village is on record discouraging owners from selling independently.

This sentence is the rationale the Village uses to push owners toward the assemblage process. It is also a public-record statement that small individual sales are disfavored — useful context for any owner being told that signing is “just paperwork.”

PART II

ARTICLE 1. GOOD FAITH NEGOTIATIONS

Good Faith Negotiations. Subject to applicable federal, state and local laws, the Parties agree to use reasonable best efforts and negotiate in good faith to achieve the completion, execution, and delivery of the Items to be Finalized and to finalize and execute the Agreement with a third party developer(s), unless this LOI is earlier terminated pursuant to Paragraph B, Part II, below. The Parties intend this Paragraph A, Part II, commitment to be legally binding, and each of the Parties represent that this LOI and the commitment made in this Paragraph A, Part II, has the full support of the Parties' necessary approving authorities.

ANNOTATION · PART II, ARTICLE 1

This is the binding obligation. Once signed, you must negotiate in good faith – with no exit.

Article 1 is the core legal hook of the entire LOI. The phrase “legally binding” is explicit. “Good faith negotiation” is enforceable in Florida courts. Combined with Article 2 (which has no termination event other than signing a developer deal), this creates an open-ended obligation with no walkaway right.

ARTICLE 2. TERMINATION

Termination. This LOI shall terminate on the execution of the Agreement by the Owner or Parties with a third party developer(s).

ANNOTATION · PART II, ARTICLE 2

The LOI only ends when a developer deal is signed. There is no walkaway right and no deadline.

Read this clause carefully. It is one sentence long. There is no time limit, no milestone, no opportunity for the owner to terminate. If the developer search drags on for three years, the owner is still bound. If no developer is ever selected, the owner is still bound. This is the single most important defect in the document.

ARTICLE 3. EFFECT OF THIS LOI

This LOI is fully supported by the approving authorities of the each of the Parties; but does not contain all of the material terms necessary for the Agreement. Rather, the Parties hereby agree that this LOI is intended as a statement of the Parties' good faith, mutual intent, and understanding as of the date hereof to proceed with the negotiation of the terms necessary or appropriate to finalize the Agreement.

Any transaction which might arise from the activities of the Parties as contemplated by this LOI shall be contingent upon the due authorization, execution, and delivery by the Parties or Party to the Agreement, including without limitation the obtaining by each Party of all approvals and all other authorizing actions required to be taken by each Party under its organizational documents.

ARTICLE 4. COSTS AND EXPENSES

Each Party shall bear its own costs and expenses (including fees of counsel and outside consultants) in connection with the preparation, negotiation and execution of this LOI (whether or not any the Agreement is finalized and executed).

ANNOTATION · ARTICLE 4

Owner pays all their own legal and consulting costs, even if the deal collapses.

If the Village walks away, the developer never materializes, or the assemblage falls apart, the owner has no right to recover the legal fees, appraisal costs, or consultant expenses they incurred preparing for and negotiating under this LOI. The Village has in-house counsel; the property owner does not.

ARTICLE 5. LIMITATION ON LIABILITY

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS REPRESENTATIVES FOR ANY SPECIAL, INDIRECT, NON-COMPENSATORY, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY TYPE OR ANY LOST PROFITS, LOSS OF BUSINESS OPPORTUNITY OR BUSINESS INTERRUPTIONS WHETHER ARISING IN CONTRACT OR TORT (INCLUDING NEGLIGENCE, WHETHER SOLE, JOINT OR CONCURRENT OR STRICT LIABILITY) OR OTHERWISE, ARISING OUT OF THIS LOI; PROVIDED, HOWEVER, THE PARTIES AGREE THAT ACTIONS SEEKING INJUNCTIVE OR OTHER EQUITABLE RELIEF MAY BE BROUGHT BY EITHER PARTY TO ENFORCE THE BINDING OBLIGATIONS SET FORTH HEREIN.

ANNOTATION · ARTICLE 5

Owner waives lost profits, business interruption, and consequential damages.

If the Village or the CRA breaches the LOI and the owner suffers a real economic loss — for example, having turned down an outside buyer because they were locked in — the owner cannot recover lost profits, lost business opportunity, or business interruption damages. The carve-out at the end (“injunctive or equitable relief”) preserves the Village’s ability to force the owner to perform; it does not give the owner symmetric protection.

ARTICLE 6. NO THIRD-PARTY BENEFICIARIES

This LOI is intended for the benefit of the Parties hereto and is not intended to and does not confer any benefit on third parties.

ARTICLE 7. CHOICE OF LAW

This LOI shall be governed by the laws of the State of Florida without regard to its conflicts of laws principles. Any disputes resulting in litigation between the Parties shall be conducted in the state or federal courts of the State of Florida located in West Palm Beach, Florida.

IN ANY LITIGATION ARISING FROM OR RELATED TO THIS LOI, THE PARTIES HERETO EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LOI, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTY TO THIS LOI. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS LOI.

ANNOTATION · ARTICLE 7

Owner waives the right to a jury trial.

By signing, the owner gives up a constitutional right that exists precisely to protect individuals from institutional power. Disputes will be heard by a single judge — selected from the same county in which the Village exercises political influence. Jury waivers are common in commercial contracts; they are notable in a Village-led process where the counterparty is the local government.

ARTICLE 8. ASSIGNMENT

No assignment or transfer hereunder shall be made by either Party without the prior written consent of the other Party.

ANNOTATION · ARTICLE 8

Owner cannot transfer LOI rights to affiliates or family trusts without Village consent.

Standard estate-planning, succession, and tax-driven transfers (to a revocable trust, an LLC owned by the same family, or a 1031 exchange entity) all require Village consent. The clause is symmetric on its face, but the Village has no plausible transferee — only the owner is meaningfully constrained by it.

ARTICLE 9. COUNTERPARTS

This LOI may be executed in counterparts, each of which shall have the effect of and be considered as an original of this LOI.

ARTICLE 10. MISCELLANEOUS

As of the date hereof, this LOI constitutes the entire agreement between the Parties with respect to the subject matter hereof. There are no other oral understandings, terms or conditions with respect to the subject matter of this LOI, and neither Party has relied upon any representation, express or implied, not contained in this LOI.

If any one or more of the provisions of this LOI should be ruled illegal, wholly or partly invalid or unenforceable by a court or other government body of competent jurisdiction under present or future laws, then: (i) the validity and enforceability of all provisions of this LOI not ruled to be

invalid or unenforceable shall be unaffected and remain in full force and effect; (ii) the effect of the ruling shall be limited to the jurisdiction of the court or other government body making the ruling; (iii) the provision(s) held illegal, wholly or partly invalid or unenforceable shall be deemed amended, and the court or other government body is authorized to reform the provision(s), to the minimum extent necessary to render them valid and enforceable in conformity with the Parties' intent as manifested herein.

Each Party acknowledges that it has actively participated in the negotiation and preparation of this LOI, and that accordingly this LOI and any uncertainty or ambiguity contained herein shall not be construed against any one Party as drafter. The descriptive headings of this LOI are inserted for convenience only and do not constitute a substantive part of this LOI.

The obligations of the Parties hereunder which by their nature survive the termination of the LOI, shall survive and inure to the benefit of the Parties. Those provisions of the LOI which provide for the limitation of or protection against liability shall apply to the full extent permitted by law and shall survive termination of the LOI.

This LOI may be amended only by a writing signed by each Party hereto. The failure of a Party to enforce, insist upon, or comply with any of the terms, conditions or covenants of this LOI, or a Party's waiver of the same in any instance or instances shall not be construed as a general waiver or relinquishment of any such terms, conditions or covenants, but the same shall be and remain at all times in full force and effect.

This LOI sets forth the mutual understandings and intentions relating to the Project as set forth herein and shall not become effective until reviewed and approved by the Village Manager of the Village of Palm Springs, Florida.

ANNOTATION · FINAL PARAGRAPH BEFORE SIGNATURES

The Village reserves a unilateral approval right. The owner has none.

The owner is bound the moment they sign. The LOI itself does not take effect — and the Village's obligations under Article 1 do not begin — until the Village Manager reviews and approves it. There is no equivalent ratification step on the owner's side, no symmetric review window for the owner's counsel, and no time limit on the Village Manager's review. This is the asymmetry of the entire document in a single sentence.

Remainder of this page intentionally left blank — signature page follows.

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have made and executed this Letter of Intent (Cooperative Pursuit of Village Town Center) as of the day and year set forth above.

VILLAGE OF PALM SPRINGS, FLORIDA

By: _____

Michael Bornstein, Village Manager

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY

By: _____

Kim Glas-Castro, Asst. Executive Director

OWNER: _____

By: _____

Print Name: _____

Title: _____

[Corporate Seal]

STATE OF _____)

COUNTY OF _____)

THE FOREGOING instrument was acknowledged before me by means of physical presence or online notarization on this ____ day of _____ 2025, by _____, as the _____ [title] of _____, who is personally known to me or who has produced _____ as identification, and who did take an oath that he or she is duly authorized to execute the foregoing instrument and bind the Owner to the same.

Notary Public Signature

Notary Seal: