



May 11, 2020

VIA EMAIL:

Steve Reilly
sreilly@landadvisors.com

Re: Letter of Intent – 34 Tentative Mapped lots, Pleasant Hill, CA

Dear Mr. Reilly,

Century Communities of California, LLC, (“*Century*”) desires to purchase certain Property described below. This letter (the “*Letter of Intent*”) confirms our intent to enter into an agreement (the “*Agreement*”) for the purchase and sale of the Property upon the material terms and conditions set forth below. If said terms and conditions are acceptable to Seller, the Agreement will be prepared by the Buyer.

1. **Seller:** Contra Costa County
2. **Buyer:** Century Communities of California, LLC, a Delaware limited liability company
3. **Property:** Assessors Parcel no. 149-271-014, Contra Costa County



4. **Purchase Price:** The Purchase Price shall be **\$380,000** per each of the **34** approved lots for a total **\$12,920,000**.
5. **Title Company:** First American Title Company
4750 Willow Road, Suite 275
Pleasanton, CA 94588
Attention: Diane Burton
Telephone: 925-201-6603
Email: dburton@firstam.com

6. **Deposit (Earnest Money):** Buyer shall deposit **\$130,000** with the Title Company within 3 business days after the Effective Date of the Agreement. If Buyer timely delivers a Notice of Continuation (as defined below), Buyer will deposit an additional **\$650,000** with the Title Company within 3 business days after the expiration of the Inspection Period. The deposits which total **\$780,000** (collectively, “*Deposit*”) will be placed in an interest-bearing account with the Title Company and credited upon closing.
- The Deposit becomes nonrefundable (except for Seller default or failure of Closing condition) following receipt of the Notice of Continuation at the end of the Inspection Period.
7. **Inspection Period:** **45 days** after the Effective Date of the Agreement.
8. **Property Documents:** Prior to the Effective Date of the Agreement, Seller will provide Buyer with all information in Seller’s possession and/or control regarding the ownership and potential development of the Property, including soils reports, environmental and endangered species reports, engineering plans and reports, existing surveys, construction plans, subdivision plans, correspondence from the City or County, flood studies, deed restrictions, and utility agreements and commitments.
9. **Title Insurance:** Seller will cause the Title Company to issue a title commitment covering the Property to Buyer within **5 business days** after the Effective Date of the Agreement, together with copies of the title exception documents. Buyer will have until the expiration of the Inspection Period to object to any unacceptable matters shown. The title commitment will be updated **10 business days** prior to **each** Closing. Buyer may object to any new matters. Seller will pay the premium for a standard form of ALTA owner’s policy of title insurance. Buyer will pay the cost of extended coverage and any endorsements requested by Buyer to such policy.
10. **Survey:** Within **5 business days** after the execution of the Agreement, Seller will deliver a current survey of the Property to Buyer at Seller’s expense. The survey will be certified to Buyer, Seller and the Title Company and prepared in accordance with ALTA/ACSM commercial surveying standards.
11. **Closing:** The closing will occur upon the later of (a) **15 days** after the issuance of the Feasibility Approval Notice or (b) **7 days** after the receipt of the Notice of Completion confirming Demolition and Site Preparation is complete
- Escrow and title insurance fees will be paid per the customs of **Contra Costa** County.
12. **Approvals:** Not Applicable
13. **Conditions to Closing:** The following conditions must be satisfied prior to Closing (collectively, the “*Conditions to Closing*”):
- Seller’s representations are true and correct.

- No moratorium exists that would restrict the issuance of building permits upon proper application and payment thereof.
- There has been no casualty to the Property at the time of Closing and/or no condemnation.
- The Title Company has irrevocably committed to issue the title policy to Buyer.
- On or prior to the expiration of the Inspection Period, Buyer shall have obtained the written approval of the Buyer's asset management committee, for Buyer's continued performance of this Agreement. Buyer's delivery of the properly executed Notice of Continuation shall constitute satisfaction of this Buyer's Condition to Closing.
- Any amendments to the Agreement that occur after a properly executed Notice of Continuation has been delivered as described herein must be ratified by one of the following individuals before the Amendment is effective and enforceable against Buyer: Dale Francescon, Robert Francescon, Dave Messenger, M. Jarrett Coleman or Brian Fogarty.
- Seller will have caused all tenants and other occupants to vacate the Property and terminated any related leases or occupancy agreements.
- Seller/Buyer has obtained all final, non-appealable Approvals as set forth above.

14. **Ad Valorem Taxes:** General real estate taxes for the Property shall be prorated as of the date of Closing. All fees, taxes and assessments imposed because of a transfer or change in use of the Property shall be the responsibility of Seller.
15. **Development Rights:** At Closing, Seller will assign Buyer all of Seller's rights pertaining to the Property, including Seller's interests in all applications, permits, plans, easements, privileges appurtenant, water and mineral rights, property tax refunds, abatements and protest rights, rights to adjacent streets, alleys and other rights of way, governmental approvals, soils and engineering reports, plats, credits or reimbursements for costs or fees paid, development fee waivers and other entitlements from the applicable governmental authorities, utility service commitments, connections, fees and allocations, and all other development rights and benefits pertaining to the Property.
16. **Development Obligations:** Seller shall perform all on-site and off-site development improvements.
17. **Representations/Warranties:** Seller shall provide Buyer with industry standard representations and warranties in the Agreement including, without limitation, as to the absence of environmental hazards.

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18. **Real Estate Commission:** Seller is represented by Steve Reilly with LandAdvisors and will pay commissions per separate agreement only if the Closing occurs. No other party is entitled to a commission.
19. **Assignment:** Buyer will have the right to assign the Agreement and its rights and obligations to any entity (i) directly or indirectly owned or controlled by Buyer, (ii) directly or indirectly controlling Buyer, (iii) directly or indirectly controlling, controlled by, or under common control with Buyer or Buyer's members, or (iv) a third party who has entered into an agreement in which Buyer has the right to develop the Property and an option to purchase the Property, upon delivery of written notice to Seller, but without obtaining Seller's prior consent. Seller shall not have the right to assign this Agreement without Buyer's prior written consent.
20. **Property Assumptions:** Buyer assumed information contained within Seller Materials while preparing this Letter of Intent
- a. **Revenue:** \$1,330,000
 - b. **Sales:** 3.0/month
 - c. **Direct Cost:** \$117/sf + \$15/sf options
 - d. **Improvement costs:** Seller Provided
 - e. **Other Costs:** \$8,000/lot
 - f. **Common Area Landscaping Costs:** Seller Provided
 - g. **Permit and Impact Fees:** Seller Provided
 - h. **Soft Costs:** 3.0% field overhead costs
21. **Preparation of Agreement:** Buyer has generally reviewed provided draft agreement. Upon the mutual execution of this Letter of Intent, the Buyer shall cause the Agreement to be updated to reflect the transaction contemplated herein and buyer specific corporate signatory requirements. Such Agreement shall be submitted to Seller for its review and approval. Buyer and Seller agree to use good faith efforts to negotiate and execute the Agreement. Except as may otherwise be provided herein, each party shall each pay its own expenses, including attorneys' fees, incurred in connection with all negotiations.
22. **Authority:** The person(s) executing this Letter of Intent represent and warrant to the parties that they are authorized and empowered to execute this document on whose behalf they are signing. Upon acceptance of this letter and for a period of 30 days after, Seller agrees not to negotiate or accept any other offers to purchase the Property while Buyer and Seller work toward negotiating and executing a final contract.
23. **Acceptance:** Seller shall have until May 30, 2020 to accept and execute this Letter of Intent and provide notice of such to Buyer. Failure to execute or provide notice within the time frame specified shall make the provisions of the Letter of Intent null and void.

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This letter sets forth general terms for a proposed purchase and sale of the Property. Except as set forth in Paragraph 22 above, this letter is only an expression of mutual interest and is not a binding agreement of either party. Binding obligations will arise only upon the parties' complete execution and delivery of a definitive purchase and sale contract in a form acceptable to both parties, which contract will contain additional terms and conditions not described above.

Century believes there is a substantial opportunity for both parties to benefit from the proposed transaction. If this letter correctly reflects our discussions, please acknowledge your intent to sell the Property upon the above terms by signing below. We appreciate your consideration of this offer and look forward to working with you to complete this purchase.

BUYER

Century Communities of California, LLC,
a Delaware limited liability corporation



Nicholas Arenson
Division President

SELLER

AGREED and ACCEPTED this ____ day of _____, _____

By: _____

Name: _____

Title: _____