



May 11, 2020

Landadvisors  
Steve Reilly,  
Senior VicePresident  
156 Diablo Road, Ste. 340  
Danville, CA 94526  
(925) 217-4296  
sreilly@landadvisors.com

RE: 1750 Oak Park Boulevard, Pleasant Hill

Dear Steve,

We are pleased to submit this offer on the above referenced property. This Letter of Intent is subject to the execution of a mutually acceptable Purchase and Sale Agreement (the "Purchase Agreement"). The Purchase Agreement will include the following terms:

- 1. Buyer** Buyer entity is D.R. Horton BAY, Inc.
- 2. Property** The Property consists of a portion of +/- 5 acres located at 1750 Oak Park Boulevard in the City of Pleasant Hill, CA. APN: **149-271-014**.
- 3. Purchase Agreement** Following Buyer's approval of the executed Letter of Intent, Buyer will prepare the initial draft of the Purchase Agreement.
- 4. Price** The "Purchase Price" will be **\$12,100,000** and will be paid in Cash at Closing.  
The Purchase Price assumes:
  - i. Buyer is responsible for all costs associated with the processing and approval of the Final Map, In-Tract Improvement Plans and Architectural Plans.
  - ii. Seller shall be responsible for the completion of the demolition/site preparation and the Oak Park Boulevard/Monticello Avenue roadway improvements (the "**Seller's Work**"). Seller is currently working diligently on the required approvals to commence the Seller's Work and will continue working diligently upon approval of this Letter of Intent.
  - iii. The impact fees listed in the Oak Park VDR for the Pleasant Hill Park and Recreation in lieu fee and the City of Pleasant Hill Traffic Impact Fee are estimates only. The Purchase Price will be adjusted up or down on a dollar per dollar basis based on the actual final fees imposed.
- 5. Deposits** Buyer will deposit **\$121,000** (the "First Deposit") into Escrow within **5** business days after the mutual execution of the Purchase Agreement.  
Within **5** business days after Feasibility approval Buyer will deposit an additional **\$605,000** (the "Second Deposit") into Escrow.

Upon Buyer's approval of Feasibility, the deposits will become non-refundable, remain in Escrow, and be applied to the Purchase Price at Closing.

- 6. Escrow** Within **3** business days after mutual execution of the Purchase Agreement, Buyer and Seller will open Escrow with Diane Burton at First American Title Insurance Company, Pleasanton, CA.
- 7. Closing** The Closing will take place the later of (i) **15** days after approval of Feasibility, or (ii) **7** days after completion of the Seller's Work.

If the Seller's Work is not complete by **December 31, 2020** (the "**Outside Closing Date**"), Buyer will have the right to extend the Closing Date for up to one (1) three (3) month period by depositing into Escrow the amount of **\$100,000** (the "Extension Payment"). The Extension Payment will apply to the Purchase Price, be non-refundable, and remain in Escrow until Closing.
- 8. Closing Costs** Escrow fees, title insurance and recording fees will be paid according to the custom of the Property's jurisdiction(s).
- 9. Feasibility** Buyer will have **45** days from the mutual execution of a Purchase Agreement to approve or disapprove of all matters in Buyer's sole discretion.
- 10. Entitlements** Seller is responsible for the approval of the Architectural Review Permit, Development Plan and Vesting Tentative Map.
- 11. Commissions** Seller is represented by Steve Reilley with Land Advisors. Buyer is not represented by a broker.
- 12. Non-binding Letter** Seller hereby grants to D.R. Horton the exclusive right to negotiate for the purchase of the Property for a reasonable period of time following the full execution of this letter of intent. Seller agrees that it will not enter into any negotiations for the purchase of the Property with any other person or entity. D.R. Horton and Seller will negotiate in good faith to reach an agreement on terms and provisions acceptable to each party in connection with the acquisition of the Property by D.R. Horton. Notwithstanding the foregoing, however, this letter of intent is non-binding. Neither party will rely on this letter of intent as binding on the other; any such reliance would be imprudent and unreasonable. It is intended to serve only as the basis for negotiating and drafting a definitive agreement between the parties. Any effort by either party to perform due diligence or to carry out any other acts may not be deemed evidence of intent to be bound by this letter of intent. Neither party will ever be bound by this letter of intent; the parties will be bound only when a definitive agreement has been executed and delivered by both parties.

**BUYER:**

D.R. Horton BAY, Inc.



By:

Erika Salum

Director of Land Acquisition

CC: Vince McCarrie, Vice President Land  
Acquisition, Bay Area Division

Rich Ambrosini, President, Bay Area Division

**SELLER:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_, 2020

## Exhibit A

Assumptions	
Average Home Revenue (Base Price + Upgrades/Premiums – Incentives)	\$1,318,372
Assumed Sales Velocity (per month)	4
Vertical Direct Construction (\$/SF)	\$117.60
In Tract Improvement Costs (per lot)	\$109,340
Common Area Landscaping Costs (total)	\$1,110,440
Estimated Building Permit and Impact Fees (average per unit)	\$43,584
Soft Costs (total dollars)	\$1,032,550
Assumed Effective Tax Rate	1.205%