

Lenox Homes, LLC

May 11, 2020

CONTRA COSTA COUNTY REAL ESTATE DIVISION

Attn: Steve Reilly

255 Glacier Drive

Martinez, CA 94553

Re: 1750 Oak Park Blvd/75 Santa Barbara Road, Pleasant Hill-"Library Site"

Dear Steve,

Although there is increasing uncertainty in the world due to the current effects of the Covid 19 pandemic, we believe that this may be an opportune time for the County to sell the Property. After ten years of a strong credit and real estate market recovery, we had seen strong demand for single family homes in preferred neighborhoods throughout Contra Costa County prior to this pandemic. Although permitting and Final Map processing require significant effort and time, the property is in a prime location suitable for a higher land use development. We believe that a carefully executed project will be an enhancement to the neighborhood and a financial development success.

Background

Lenox Homes is a family owned company located in Lafayette. Our family has been in the homebuilding business in the East Bay since 1975. We have earned an excellent reputation for building unique successful residential projects in established neighborhoods where entry barriers are significant. Our family has built on infill sites in the East Bay stretching from Pleasant Hill to Benicia to Livermore. We are especially recognized for our thoughtful approach in redeveloping infill sites where our projects become a positive addition to the existing neighborhood and an asset to the broader community.

Lenox is very active in the Pleasant Hill Community and has received preliminary support and encouragement from neighbors and members of the community to take on this project and ensure that we are good stewards of the project and the community facilities. Lenox has completed two award winning projects in Pleasant Hill that were very well received by the community and have served as examples of quality infill subdivisions.

I am a resident of Pleasant Hill and live within blocks of the project. My family spends countless hours at the adjacent Pleasant Oaks Park playing baseball, football, soccer swimming and throwing the tennis ball for the dog. When the Shelter in Place is lifted, my daughter will be a member of the current graduating class at Pleasant Hill Middle

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school which is adjacent to the Project. I know firsthand what this project and the surrounding development site will mean for the neighborhood if executed correctly. I believe this is an amazing opportunity to demonstrate the power of collaboration between all government agencies and the private sector to bring much needed housing and community facilities to the area.

Offer

We have analyzed the Development Lot on Oak Park and Santa Barbara in Contra Costa County. The purpose of our effort was to provide an in depth review of the property and to propose an offer to purchase that may generate the optimum sales value given the current cloud cast upon the real estate market due to the Covid 19 pandemic and the the site and the development parameters imposed by the various governing bodies.

Based on our preliminary analysis, our conclusion is that the approved 34 home residential project is feasible and can be a successful project for all parties once the dust from the Covid 19 pandemic clears in 2021. This conclusion resulted from multiple site visits, current zoning restrictions, the physical site limitations, input from local sources and our familiarity in dealing with this established neighborhood and the public agencies. Our company approach is to create viable, new, residential projects that fit with the existing neighborhood and gain support from the community as high-quality improvements to the existing infill neighborhoods. Based on our findings, we have outlined the major parameters in the following offer:

1. Our offer for the project is Twelve Million Dollars (\$12,000,000) based on the approved thirty-four (34) market rate residential units. (Note: The value would increase or decrease based on the adjustment of the Oak Park VDR and Recreation in lieu fee and the City of Pleasant Hill Traffic Impact Fee estimates.)
2. If we come to agreement for Lenox to Purchase the property, a Purchase Agreement will be executed. Lenox will deposit into escrow at Old Republic Title Company in Concord an amount of One Hundred and Twenty Thousand Dollars (\$120,000) for a Forty-Five (45) day Feasibility Period. This period will be used to evaluate all aspects of the proposed project, including but not limited to environmental issues, Creek conditions and requirements, City concerns, County concerns, timing of offsite improvements and process time for CD's and Final Map, governmental fees, neighborhood conditions, title policy, preliminary cost estimate and the feasibility of the proposed project. In the event we determine the project is not feasible within the Forty-Five day Feasibility Period, the full One Hundred Twenty Thousand Dollars in escrow is returned to Lenox.
3. Upon successful completion of the Feasibility Period, if Lenox elects to proceed with the purchase of the Property, an additional Six Hundred Thousand Dollars

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(\$600,000) shall be deposited to escrow for a total amount of Seven Hundred Twenty Thousand Dollars (\$720,000) and shall become non-refundable and said amount shall be credited against the Purchase Price of the Property.

4. Seller will deliver to Lenox any surveys, engineering drawings, plans, soils reports, permit applications, cost estimates, title reports, leases, and any information in the possession of Seller related to the Property. Lenox will obtain, at its own cost, any additional reports, maps and information prepared for the Property by other third parties.
5. Close of Escrow shall occur within Fifteen (15) days after the Feasibility Period Approval Notice is issued or within Seven (7) days of the acceptance by Buyer of the County's demolition and site preparation is complete, whichever comes later.
6. Lenox is represented by Focus Realty Services as buyer's agent. Focus is an affiliate of Lenox. Any commission paid to Focus shall be paid by Lenox at no cost to Seller. Lenox has no other obligation for any other commission from this transaction or any responsibility for the payment of any commission that the Seller may have.

I am available to meet to discuss our offer in greater detail. Please let me know if you have any questions.

Sincerely,



Daniel Freeman
Lenox Homes

DRAFT EXHIBIT A:

ASSUMPTIONS

AVERAGE HOME REVENUE	1,175,000
ASSUMED SALES VELOCITY (Per Month)	2
VERTICAL DIRECT CONSTRUCTION (\$/FT)	138
IN TRACT IMPROVEMENT COSTS (per lot)	149,520
COMMON AREA LANDSCAPE COSTS	535,000
ESTMATED BUILDING PERMIT AND IMPACT FEES (per unit)	52,000