

THE
WOODMONT
COMPANY

April 2

~~March 20, 2019~~

VIA E-MAIL

Tucker Hohenstein, SIOR
Colliers International
760.930.7966
Tucker.hohenstein@colliers.com

Re: Non-Binding Letter of Intent for the property located at the NEC of N Twin Oaks Valley Road & Windy Way, San Marcos, CA

Dear Tucker:

I have been authorized by **Woodmont Land Company and/or its assigns** ("Buyer") to present you with this non-binding letter of intent on their behalf. The Buyer has reviewed the contents of this letter, understands and acknowledges all of the terms and conditions contained herein and intends, if the contents of this letter are acceptable to all parties, to enter into a Purchase and Sale Agreement ("Purchase Agreement") by which **Ghasem S. Mazroy & Farzaneh K. Kokabi** ("Seller") would sell and Buyer would purchase certain real property as defined below.

1. **EXPIRATION DATE:** This letter and the offer contained herein shall be valid through March 31, 2019.
2. **LAND:** The real property consisting of an approximately 1.61 acre parcel located at NEC of Twin Oaks Valley Road & Windy Way, San Marcos, CA further identified on Exhibit "A" (the "Land").
3. **IMPROVEMENTS:** The Land, any improvements, entitlements and all of Seller's personal property thereon (if any) shall hereinafter collectively be referred to as the "Property". At no additional cost or expense to Buyer, the Property shall also have the right, in common with others, to use all off-site drainage, sanitary sewer, storm sewer, utility, and other systems and improvements as may be necessary for construction, occupancy and use.
4. **PURCHASE PRICE:** The offered purchase price for the Property is Seven Hundred Ninety Dollars and No/100 Dollars (\$790,000.00), the ("Purchase Price").
5. **DEPOSITS:** Within Five (5) business days after the date of mutual execution of the Purchase Agreement by all parties (the "Effective Date"), Buyer shall deliver to escrow agent (to be chosen by Buyer and specified in the purchase contract) a deposit in the amount of Twenty Thousand and no/100 Dollars (\$20,000.00), less \$100 which shall be considered "independent consideration" in connection with Buyer's right to terminate the transaction for any reason during the

Feasibility Period (such deposited amount, less \$100 independent consideration, the "Deposit"), which Deposit shall be held in escrow and, presuming Closing occurs, be applicable to the Purchase Price.

- 6. INITIAL FEASIBILITY PERIOD:** The Purchase Agreement shall be expressly contingent upon the Buyer completing its Due Diligence, as further defined below within One Hundred Twenty (120) business days after the effective date of the Purchase Agreement ("Initial Feasibility Period"). On or before the expiration of the Initial Feasibility Period, if Buyer is not satisfied with any aspect of the Property for any reason whatsoever, founded or unfounded, with or without cause, all as determined in Buyer's sole and absolute discretion, then Buyer shall have the right to terminate the Purchase Agreement, the escrow agent shall promptly return the Deposit to the Buyer and the parties shall owe no further obligations to the other. Buyer's "Due Diligence" shall include without limitation:

 - **Title:** Buyer's review and approval of Seller's title to the Property, as evidenced by the Alta survey as may be obtained by Buyer and title commitment provided by Seller.
 - **Engineering:** Buyer and its agents, representatives, employees and consultants shall have the right after the Effective Date of the Purchase Agreement, to enter upon the Property for the purpose of performing soil boring tests, engineering, environmental assessments, topographic and/or boundary surveys upon or of the Property in order to determine whether the Property is suitable for Buyer's needs.
 - If Buyer elects to proceed beyond the expiration of the Initial Feasibility Period then the Deposit shall remain in the possession of the escrow agent until closing or the earlier termination of the Purchase and Sale Agreement but shall become non-refundable to Buyer, save and except in the event of Seller default or as otherwise set forth herein however shall be applicable to the purchase price of the property of the Seller and applicable to the Purchase Price. To be further addressed in the Purchase and Sale Agreement
- 7. DUE DILIGENCE DOCUMENTS.** Seller will deliver within Five (5) business days after the Effective Date, such documents in Seller's possession or control, that can be obtained without unreasonable cost to Seller related to the Property, including, but not limited to: existing environmental reports; soils and engineering reports; existing topographical survey maps, plats and engineering and/or soil studies for the Property and detention requirements, permits, drawings, and documents relating to storm water, detention and drainage of the Property.
- 8. OPTIONS FOR ADDITIONAL FEASIBILITY PERIODS.** Upon or prior to the expiration of the Initial Feasibility Period, Buyer shall notify Seller of Buyer's right to extend the Feasibility Period. Buyer shall have Five (5) consecutive extensions of Thirty business days (30) for the second Feasibility Period to obtain all necessary state and local zoning, site plan, and building permit approvals, in

order to construct a child care center for children ages 6 weeks to 12 years on the Property. The Buyer upon each of the Extension Periods shall deposit an additional \$4,000.00 to escrow which shall be applicable to the Purchase Price. If the Buyer notifies Seller that Buyer is unable to obtain the Approvals, then Buyer shall have the right to terminate the Purchase Agreement and the escrow agent shall promptly credit the Seller any monies in escrow and parties shall owe no further obligations to the other party.

9. CONDITIONS OF CLOSING.

- **Title:** Seller shall deliver clear and marketable title to Buyer at Closing, subject only to exceptions approved in advance by Buyer. All monetary encumbrances of every kind and all matters set forth in “schedule C” of the title commitment must be satisfied and/or caused to be released by Seller.
 - **Warranties:** All representations and warranties of Seller made pursuant to the Purchase Agreement shall be true and correct as of the execution of the contract and as of the closing date. All covenants made by Seller under the Purchase Agreement shall have been performed as of the closing date. Seller shall assign to Buyer at the close of escrow all transferable warranties and shall terminate any existing management agreements and/or any rights of possession (including but not limited to options to purchase, leases, rights of first refusals, or unrecorded easements) if any affecting the Property.
 - **Property Condition:** Seller shall deliver the Property in an “as is” condition, save an except Seller shall deliver the Property Free of all hazardous materials including asbestos.
 - **Plat:** Seller shall provide to Buyer, at no cost or expense to Buyer, the Property as a separately platted Lot.
 - **Signage:** NA.
10. **CLOSING:** Closing shall occur within thirty (30) business days after the expiration of the Feasibility Period or extensions thereof as described above. The deed to be delivered at closing shall be a special/limited warranty deed. Should Buyer fail to close the transaction (following expiration of any notice and cure period) for any reason other than seller’s breach (or as may otherwise be permitted in the final contract), the Deposit shall be paid to Seller as Seller’s sole remedy for Buyer’s default (with Seller having no right of specific performance against Buyer or any other remedy other than retention of the Deposit.) Should Seller fail to close the transaction (following expiration of any notice and cure period) for any reason other than Buyer’s breach (or as may otherwise be permitted in the final contract), Buyer may, in its sole discretion, either (i) receive the return of the Deposit, other than the independent consideration or (ii) enforce specific performance or seek such other relief as may be provided by law or both.

11. SELLER'S REPRESENTATIONS: Seller will make the following representations and warranties to Buyer:

- Seller has the full right, power, and authority to sell and convey to Purchaser the Property as provided in this Agreement and to carry out Seller's obligations hereunder;
- Seller is the fee owner of the Property and there are no adverse or other parties in possession of the Property, or of any part thereof as lessees, tenants at sufferance, or trespassers;
- There is no pending condemnation or similar proceedings affecting the Property, or any part thereof

12. RESTRICTIVE COVENANT: NA.

13. TITLE INSURANCE: Within 10 days after the execution of the Purchase Agreement, Seller will cause the Title Company to provide a title commitment reflecting the current state of the title to the Property. At the close of escrow and at Seller's expense, Buyer shall be issued a title insurance policy in the amount of the Purchase Price at regular rates by Buyer's title insurance company ("Title Company"), including any endorsements required by Buyer, and/or Buyer's lender.

14. SURVEY: Buyer shall have the option to obtain a current survey of the Property at buyer's expense.

15. CLOSING COSTS:

Buyer:

- the settlement or lender costs associated with Buyer's financing;
- any costs relating to the deposit of the Earnest Money with the Escrow Agent;
- Buyer's attorneys' fees; and
- one-half (1/2) of any costs of Closing not specifically allocated hereunder.

Seller:

- all ad valorem taxes attributable to periods prior to and as of the date of Closing, as well as one hundred percent (100%) of any rollback taxes, deed stamps, special taxes, sales tax, or special assessments assessed or due as of the date of Closing, including, but not limited to as a result of the closing or any subsequent change in use by Buyer;
- any costs for preparing and recording the deed;
- any transfer taxes;
- any costs for the clearance of any title matters;
- Seller's attorneys' fees; and
- one-half (1/2) of any costs of Closing not specifically allocated hereunder.

16. PRORATIONS: Real property taxes shall be prorated as of the close of escrow.

Buyer's

17. **COMMISSION:** Seller shall pay a Commission of 3% of the Purchase Price to The Woodmont Company ("Broker") at Closing per a separate agreement. Each party shall indemnify the other in connection with claims made by any other broker to a commission.
18. **ASSIGNMENT:** Seller agrees to allow Buyer to assign the Purchase Agreement to a corporation or other legal entity.
19. **CONTRACT:** Upon mutual execution of this letter of intent, the Purchase Agreement shall be drafted by Seller's attorney.
20. **AGENCY DISCLOSURE:** Seller has been advised that certain venturers, members, shareholders, directors and/or officers of Buyer are licensed real estate brokers.

This letter shall not constitute a formal and binding agreement. This letter reflects the parties' present understanding of the discussions and negotiations completed regarding the terms and conditions of the proposed transaction, and the parties expect that any definitive Purchase Agreement which is negotiated between them with respect to this transaction will be generally consistent with this letter. This letter shall not, however, create any enforceable legal rights or obligations. It is intended that all legal rights and obligations of each of the parties shall only be those which are set forth in a definitive Purchase Agreement, if fully executed by Buyer and Seller.

Should the foregoing meet with your approval, please execute the copy of this letter enclosed herewith and return it to the undersigned.

Sincerely,



Grant Gary
The Woodmont Company

Agreed and accepted:

Buyer:

Woodmont Land Company, and/or it assigns

By: Josephine Corbett

Prichard

Date: MARCH 22, 2019

Agreed and accepted:

Seller:

Ghasem S. Mazroy & Farzaneh K. Kokabi

By: _____

By: _____

Date: _____

cc Joseph Williams & Emily Iseminger

Exhibit "A"

FOR SALE OR
BUILD-TO-SUIT

N. Twin Oaks Valley Rd
Windy Way

NEC of N. Twin Oaks Valley Rd @ Windy Way
San Marcos, CA 92069

