

DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

Raul M. Rojas
DIRECTOR

August 11, 2020

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250 Entrada Drive LLC
Inn Marin
C/O: Satish Patel
250 Entrada Dr
Novato, CA 94949

RE: Letter of Intent to purchase real property located at 250 Entrada Drive,
Novato, Marin County, California (the "Property")

Accounting

Dear Mr. Patel:

Airport

Building Maintenance

Capital Projects

Certified Unified Program
Agency (CUPA)

Communications
Maintenance

County Garage

Disability Access

Engineering & Survey

Flood Control &
Water Resources

Land Development

Purchasing

Real Estate

Reprographic Services

Road Maintenance

Stormwater Program

Transportation &
Traffic Operations

Waste Management

On behalf of the County of Marin (County) and its partner Eden Housing, I'm pleased to provide you with this letter of intent ("Letter of Intent") and exclusive negotiating agreement to perform preliminary due diligence on the Property. This Letter of Intent describes the terms, conditions and timing of the preliminary work to be performed by the County or its partner Eden Housing on the Property as set forth below:

The purchase of the Property is first and specifically conditioned upon its approval by the Marin County Board of Supervisors at a scheduled and open public meeting or by its partner Eden Housing. The terms of this letter of intent represent a recommendation by County staff to the Board of Supervisors.

Purchaser: County of Marin and/or its partner Eden Housing

Seller: 250 Entrada Drive LLC

Property: The Property is more particularly described or depicted on the attached Exhibit "A" and identified as 250 Entrada Drive, Novato.
Assessor Parcel No.: 160-161-21.

Purchase Price: The purchase price for the Property will be determined after the preparation of the appraisal to be obtained by County as provided below. The current asking price is \$18,000,000. County agrees to purchase the property for the asking price or the appraised value, whichever is lower.

Purchase Agreement: The parties anticipate that the terms of this transaction will be set forth in further detail in the Purchase and Sale Agreement that will supersede this Letter of Intent. The initial draft of the Purchase Agreement will be prepared by the County and will reflect the terms contained in this Letter of Intent and any subsequent Letters of Intent further outlining terms and conditions of the purchase and sale, as well as other provisions that are customarily factual representations by Seller.

Appraisal: County will, at its sole discretion, if awarded Homekey funds by the Department of Housing and Community Development (HCD), have an appraisal of the Property prepared by Semple Appraisals, Inc, or if not available, a MAI appraiser chosen by County at County's expense.

Escrow and Title: As soon as possible after the execution date of this Letter of Intent, County will obtain a commitment for title insurance from Calland Title Company, 300A Drakes Landing Road, Suite 100, Greenbrae, CA 94904, at County's expense, reflecting the current condition of title to the Property. Any matters not objected to by County shall be deemed to be "Permitted Exceptions." Upon entering into the Purchase and Sale Agreement, funds, documents and all items necessary to consummate the purchase will be deposited into an escrow at Calland Title Company with County's instructions. Pursuant to the requirements of Homekey grant funding, escrow shall be scheduled to close no later than December 30, 2020.

At the close of escrow, the Title Company shall issue County a C.L.T.A. extended coverage owner's policy of title insurance. County shall be responsible for the cost of title commitment and the cost of the standard C.L.T.A title policy and the cost of any endorsements requested by County.

Due Diligence Investigations, Studies and Reports: Immediately upon acceptance of appraised value and confirmation of the purchase price by both parties, County will commence due diligence investigations, conduct studies, investigations and inquires as necessary, at its sole expense and discretion. Such due diligence investigations may include, but are not limited to, title research and review, boundary and access survey, identification of encroachments by neighboring properties, review of all known rental and lease agreements, hazardous materials investigations, mechanical systems investigations (such as HVAC systems, plumbing, fire alarm, telecommunication and electrical systems), accessibility (ADA) review, review of other common use facilities that are included with the property, review of the City/County permit files (Building, Environmental Health Services, and Planning) and any other investigations that may be deemed necessary by the County. County will complete investigations within 30 days of approval of the purchase agreement. Acceptance, rejection, or request for action on any items discovered will be presented to you within 7 days thereafter.

Cooperation: Seller agrees to cooperate with County in all matters deemed necessary for County to pursue the appraisal and related investigation items necessary for its intended use of the Property, at no material cost to Seller.

Broker Fees: Any and all fees, commissions or compensation due to a licensed Real Estate Broker or Agent as a result of this transaction shall be the sole responsibility of the Seller. County is representing itself in this transaction and is not being represented by a broker or agent.

If the forgoing Letter of Intent and exclusive negotiating agreement is acceptable, we request that you so acknowledge by signing below and returning this Letter of Intent and exclusive negotiating agreement to us acknowledging your acceptance of the general terms and conditions hereof. Immediately upon receipt of your acknowledgement, County will apply for Project Homekey purchase funding and may begin drafting of the Purchase and Sale Agreement along with other pre-purchase activities.

Letter of Intent – August 11, 2020
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Seller acknowledges and agrees that during the time this Letter of Intent is in effect, County shall have exclusive rights to purchase the Property under the general terms and conditions contained herein or contained in the Purchase and Sale Agreement at such time that it is ratified by both parties.

In the event that grant funding is not awarded or County staff further analyzes the feasibility of purchasing the property for the purposes intended and makes the determination that it is not in the best interest of the County to proceed with the purchase, County shall immediately notify Seller and issue a notice of withdrawal from negotiations and release of exclusive rights to purchase.

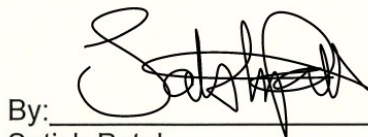
This letter/proposal is intended as a preliminary expression of general intentions and mutual understandings prior to entering into a Purchase and Sale Agreement. Seller acknowledges that the County of Marin Board of Supervisors and/or its partner Eden Housing's Board of Directors is the approving authority for any agreement related to purchase of the Property. County staff or its representatives cannot explicitly obligate the County to a purchase of the Property without approval of the Board.

Very truly yours,



Eric Lueder, SR/WA
Chief Real Property Agent
Real Estate Division
(415) 473-6580
elueder@marincounty.org

ACKNOWLEDGED AND AGREED: SELLER



By: _____
Satish Patel
250 Entrada Drive LLC

Date: 8/11/20

cc: Leelee Thomas, Marin CDA
Andrea Osgood, Eden Housing

Enclosure – Exhibit A

Exhibit A
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Property: 250 Entrada Drive, Novato, Marin County, California
Assessor Parcel No.: 160-161-21