

True Life Companies



March 30, 2018

Mr. Micah Hinkle
Economic Development Manager
City of Hayward, Economic Development Department
777 B Street, 2nd Floor
Hayward, CA 94541

Re: **Letter of Intent – City of Hayward Controlled Property, Hayward, CA
8.75+/- acres (Directly Adjacent North of 29212 Mission Blvd property)**

Dear Mr. Hinkle:

Thank you again for our meeting on Tuesday. As mentioned at that meeting and prior conversations, The True Life Companies is very interested in working with the City of Hayward in trying to incorporate the adjacent property into our current project being proposed on 4.69 acres at 29212 Mission Blvd. As a follow up to our meeting, the following outlines a framework under which TTLIC Management, Inc. ("Buyer") is prepared to enter into negotiations with the City of Hayward ("Seller") to purchase approximately 8.75+/- acres directly adjacent and north of True Life's property along Mission Blvd. ("Property"). This Letter of Intent represents the understanding in which the Buyer is prepared to enter into an Agreement that allows exclusive negotiation with the City. Pending such an agreement, Buyer and Seller agree to negotiate in good faith. *Buyer understands that it will be responsible for obtaining all City of Hayward entitlements that may include: General Plan Amendment, Re-Zoning, Tentative Map, and PD Permit entitlement approvals at its sole cost and expense.*

The following are the salient terms and conditions of Buyer's proposal to purchase the Property:

- 1) Property Description:** The Property consists of approximately 8.75 acres of land located on the east side of Mission Blvd (See attached Diagram labeled "16"). Property is currently vacant and is directly adjacent and north of True Life's 4.69 acre property at 29212 Mission Blvd. The Property currently has CN and RM zoning designations.
- 2) Purchase Price:** The Purchase Price shall be negotiated by Buyer and Seller based on type of units, unit count and developable acreage. Since this property would be in addition to, and an enhancement to our neighboring project, we have attached 2 examples of site plans illustrating unit count possibilities based on developable acreage.

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3) Payment of Purchase Price: The Purchase Price shall be paid in all cash at the Close of Escrow.

4) Deposits:

Initial Deposit: \$50,000 applicable deposit shall be deposited into escrow at execution of the mutually acceptable Agreement. This deposit is to be fully-refundable to Buyer during Feasibility Period.

5) Close of Escrow: Shall occur at the earlier of: 1) Within 30 days after City of Hayward Approval of a Tentative Map and PD Permit (or similar entitlement) to include the expiration of all appeal periods, or 2) Twelve (12) months after Feasibility Expiration, whichever occurs first. Buyer shall give Seller a 30-day prior written notice of their intent to close the escrow.

Extension to Close of Escrow: Buyer will be entitled to Two (2) Extensions of Three (3) Months each to the Close of Escrow provided that Buyer deposits and releases an additional deposit of \$50,000 for each extension. Extension Deposits are applicable and non-refundable. Buyer may extend Close of Escrow if Buyer has not obtained a PD Permit and Tentative Map approval, to include all applicable appeal periods. Buyer to use commercially reasonable efforts to process Tentative Map and PD Permit.

6) Feasibility Review Period:

Buyer shall be entitled to a Feasibility Review Period of Sixty (60) days from the execution of the Agreement. Seller will deliver to Buyer a draft Agreement within 5 days of executing this Letter of Intent. Seller will deliver all documents and due diligence information relating to this property within 3 days after signing this Letter of Intent.

Buyer shall be responsible for all costs associated with Buyer's feasibility review and shall indemnify and hold Seller harmless for any investigative work performed on the Property. Buyer will notify Seller and obtain Seller's approval before entering the Property; and Seller shall provide to Buyer, upon full execution of the Agreement, copies of any and all reports, studies, and other documentation relating to the Property that are in Seller's possession at no cost. Buyer shall have the Feasibility Review Period to review such documents.

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7) Environmental Contamination:

Buyer assumes there is no environmental contamination on the property.

8) Escrow:

Escrow shall commence on the date upon full execution of the Agreement by both parties. An escrow shall be opened with Diane Burton at First American Title in Pleasanton, California.

9) Closing Costs: All Closing Costs (including County Transfer Tax and City Transfer Tax, if any) shall be borne by the parties in accordance with the prevailing custom in Alameda County. Current non-delinquent real property taxes shall be prorated between Buyer and Seller based on a Thirty (30) day month.

10) Brokerage Commission:

Buyer and Seller represents that there are no brokers involved in this transaction.

11) Right of Entry:

Buyer is hereby granted the right to enter the Property at any time after the execution of this Letter of Intent to conduct any investigations as may be required by Buyer to analyze the Property. Buyer shall give 48 hour written notice to Seller of their intent to enter and coordinate such activities with Seller. Buyer shall provide Seller with the appropriate indemnification and hold harmless provisions as Buyer and Seller mutually agree upon.

12) Representations and Warranties:

The Agreement will include standard representations and warranties for the transaction with respect to the authority and good standing of the parties, authorization to do business, absence of mechanics liens, outstanding litigation, force and effect of all agreements relating to the Property, and the environmental condition of the Property. Seller shall be entitled to any and all lease payments/income during the course of the proposed escrow period. In addition, Seller shall be responsible for delivering the property vacant (all tenants vacated from the property), free of any encumbrances with all associated loan payoffs (including any prepayment fees) and deeds of trust removed prior to close of escrow and shall have cured any violations of applicable laws, regulations and

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codes. With Seller's prior written consent, Buyer will have the right to assign the Agreement at Buyer discretion, which Seller cannot unreasonably withhold, condition or delay.

13) Cooperation of the Parties:

The parties shall cooperate with each other and at the request of either party, shall execute additional documents as customary or as may become necessary in order to carry out the intent and the terms of this LOI. Seller agrees that he will assist Buyer in obtaining development approvals for the project as needed, at no cost to Seller.

14) Tenants:

Seller represents that there are no current tenants on the property.

15) Exclusivity:

At all times for a period of Thirty (30) days from and after Seller's execution of this letter of intent (and if the Agreement is executed, at all times prior to the closing or termination of the Agreement, whichever occurs first), Seller agrees not to (and Seller will instruct its agents, brokers, employees and representatives not to) solicit, encourage, accept or provide factual information or negotiate with respect to any letter of intent or offer to purchase or any other agreement regarding the sale of this Property from any person or entity other than the Buyer. This section is enforceable against Seller.

16) Agreement:

This letter constitutes a Letter of Intent only and does not constitute a binding agreement between the parties. This Letter of Intent outlines the major deal points that the parties have proposed for this transaction. Upon execution of this LOI, Seller shall prepare a more comprehensive Agreement which incorporates the terms herein for the execution of the parties. Buyer and Seller shall, in good faith, attempt to prepare and execute a definitive, binding and mutually acceptable Agreement based on the terms of this LOI. If the Agreement is not fully executed, neither party shall have any rights or obligations to the other.

(remainder of page left intentionally blank)

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If the above terms and conditions are acceptable, please acknowledge by signing below. If you should have any questions, please feel free to call me to discuss. Thank you!

Respectfully,

THE TRUE LIFE COMPANIES

Scott A. Menard
Executive Vice President

Cc: Leah Beniston, The True Life Companies
Dan Fox, The True Life Companies
Kelley Rutchena, The True Life Companies

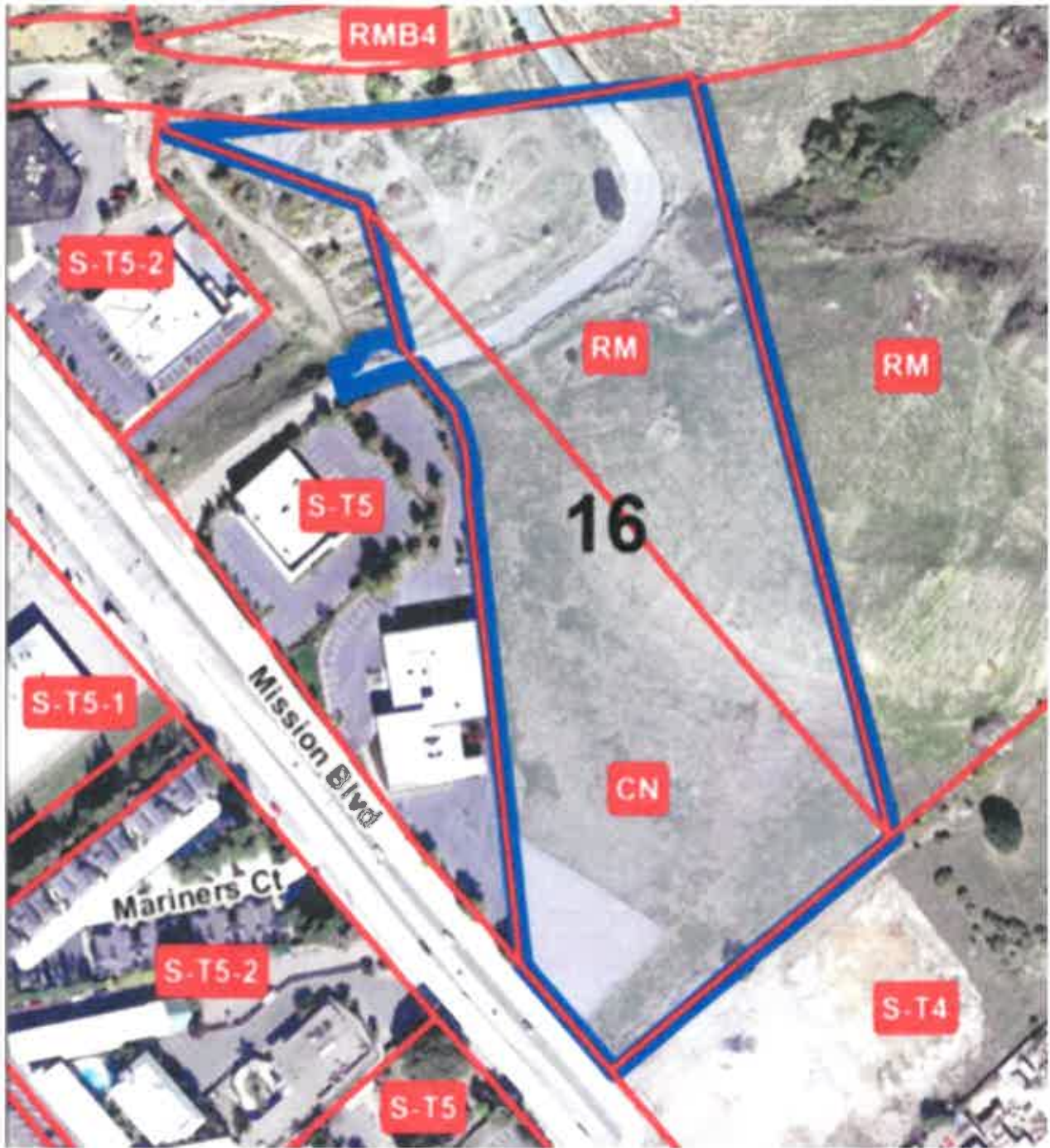
Approved and accepted this _____ day of April 2018.

By: _____

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Total Parcel Size is Approx. 8.75-acres.

Tennyson Road does run along the northern edge and with the road deduct it is approx. 7.19-acres.