

TERM SHEET
RESIDENTIAL LOT OFFERING
BORONDA MEADOWS
North Davis at Rossi, Salinas, Monterey County

PARTIES

Seller: Nestech Management Group, Jeff Fortin
Buyer: To be determined

PROPERTIES

Approximately 108 Market Rate Lots
Approximately 23 WorkForce II Lots
Within the Boronda Meadows, Phase II Sub-Division, Phase III Sub-Division
Rossi Street, Salinas.
Aps: TBD

PRICE:

Asking Price: \$25,100,000. Purchase price payable in cash at close of escrow.
Finished Lots based on \$200,000 for Market Rate and \$145,000 for Workforce II Lots

MINIMUM INITIAL DEPOSIT:

Initial Deposit, shall be a minimum of \$250,000.00, upon execution of contract. The Initial Deposit shall be non-refundable and applicable upon expiration of the Sixty (60) day "Buyer's Investigation" period and escrow holder shall be instructed to release Initial Deposit to Seller.

MINIMUM INCREASED DEPOSIT and RELEASE TO SELLER:

Non-refundable releases of \$500,000 at completion of each of the following events:

- 1) Monterey County Certification of the EIR
- 2) Monterey County approval of the Tentative Map
- 3) LAFCO annexation approval of the property into the City of Salinas
- 4) City of Salinas approval and recordation of the Tentative Map
- 5) City of Salinas approval and recordation of the Final Map
- 6) All of the above released funds shall be credited to purchase price at close of escrow.

BUYER INVESTIGATION PERIOD:

Sixty (60) days from execution of contract.

BUYER INVESTIAGAION MATERIALS:

The following reports, studies, etc are provided for Buyer's Due Diligence Package
Preliminary Title Report
Record of Survey
Geological and Soils Studies
Phase I Environmental Report
All studies, reports relating to the residential phase of Boronda Meadows in Seller's possession

CLOSING:

Escrow shall close Ninety (90) Days after City of Salinas approval of Final Map and any subsequent appeal period.

CLOSING COSTS:

Seller will pay documentary transfer tax and premium for standard form CLTA owner's policy of title insurance. Buyer pays all other closing costs. Property Taxes prorated to close of escrow.

RESPONSIBILITIES:

Seller shall deliver all necessary reports, studies, entitlements to the Buyer for the proposed residential sub-division. The Seller has contracted with Ruggeri, Jensen, Ajar & Associates to provide design consulting services for this residential project. The Buyer shall not be responsible to construct or deliver any additional "affordable" housing units. The Seller shall deliver "Finished Lots" with all off-site improvements substantially completed and impact fees paid or bonded, except school fees and building permit fees which shall be the cost of the Buyer. The Buyer shall be responsible for all working drawings for proposed residential units and any costs associated with their design.

COOPERATION:

The Buyer will cooperate with Seller in its obtaining all necessary entitlements for development of the property, provided that all costs are paid by Seller. Seller shall apply for entitlements for entire property, and shall pursue entitlements with all due diligence.

COMMISSION:

Seller shall pay the JNM Company as its exclusive seller's agent. Buyer shall pay its buyer's agent.

CONTRACT:

Seller will prepare a formal Purchase Agreement incorporating the essential terms set forth above, as well as such other provisions as are customarily contained in Purchase Agreements pertaining to similar properties in the area.

EXCHANGE:

Contract shall provide for Seller's § 1031 tax-deferred exchange.

CONTACT:

All contacts pertaining to the purchase of the property shall be with:

John McCormack
JNM Company
27250 Los Arboles Drive
Carmel, CA 93923
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