

Susan Forster
Justin J.P. Chimento, Broker

La Jolla, CA 92037
Realtor @ExchangeCA.com
Dir. 858-245-7880
Fax. 858-435-4377

Date: 11-1-11

Victor Goliac

Via Email (concordcommercial@yahoo.com) with Hard Copy Available Upon Request

Re: **Letter of Intent to Purchase**
532-538 4th Avenue, San Diego, CA 92101 APN: 535-081-07-00

The purpose of this letter is to serve as a Letter of Intent ("LOI"), which sets out the basic provisions proposed by *Bode Miller* ("Buyer") to purchase the above referenced property. Should these terms be acceptable to Seller, the parties would then negotiate a final Real Estate Purchase and Sale Agreement ("REPSA") for the Property.

1. **Buyer:** Bode Miller , or assignee.
2. **Seller:** Latifondista L L C

Property: (a) 532-538 4th Avenue, San Diego, CA 92101 APN: 535-081-07-00

3. **Purchase Price:** The purchase price shall be Two Million Fifty Thousand dollars (\$2,050,000). Please note that this price is based on a very cursory inspection of the Property and the Buyer may ask for an adjustment in the Purchase Price after its consultants complete a thorough inspection and review of the Property structure.
4. **Earnest Money Deposit:** Upon mutual execution of the REPSA ("Effective Date"), Buyer shall make an initial deposit of Thirty Thousand (\$30,000) ("First Deposit") into an escrow account at Chicago Title Insurance Company ("Title Company"), which will also serve in the capacity as the escrow holder. Upon the conclusion of the Contingency Period, which is defined below, Seller shall make an additional deposit of Thirty Thousand (\$30,000 ("Second Deposit"), thereby increasing the deposit amount to Sixty Thousand (\$60,000) ("Deposit");
5. **Contingency Period:** Buyer shall have a period of Twenty Five (25) days from the Effective Date in which to conduct a feasibility review of the Property. During the Contingency Period, Buyer shall satisfy itself as to the following:

- (a) The physical condition of the Property including zoning, environmental, faulting and soils issues and all other such aspects;
- (b) All contracts, studies, surveys, reports and all other information pertinent to the operation and ownership of the Property;
- (c) The commitment for title insurance obtained by Seller through the Title Company; and
- (d) Any and all architectural plans, drawings, reports, investigations pertaining to expansion or remodel of the building.
- (e) Any other studies Buyer chooses to conduct.

Upon Buyer's written notification to Seller of the waiver of its due diligence investigations during the Contingency Period, the Deposit shall be deemed non-refundable to Buyer and shall be applied to the Purchase Price at Closing. Or, upon Buyer's written notification to Seller that the acquisition of the Property is not acceptable, in the sole determination of Buyer, Deposit shall be returned to Buyer with interest thereon.

6. **Preliminary Title Report:** Upon the Effective Date, Seller shall provide Buyer with a preliminary title report with all back up documentation prepared by the Title Company. Any delay in the delivery of such documents will delay the commencement of the Contingency Period by the same number of days.
7. **Seller's Contracts, Studies, Reports and Survey:** Upon the Effective Date, Seller provide Buyer all materials in Seller's possession related to the Property, including but not limited to:
 - (a) Any existing surveys of the Property;
 - (b) Any and all soils, faulting and environmental reports, reports pertaining to hazardous materials, government permits, license approvals and any significant correspondence;
 - (c) Any and all easement documentation, regardless of purpose or use, associated with the Property and any development approvals thereto; and
 - (d) Any studies or other reports or information available to Seller which pertains to the Property.

Any delay in the delivery of such documents will delay the commencement of the Contingency Period by the same number of days.

8. **Title:** Title shall be conveyed via Grant Deed, shall be free and clear of all encumbrances and defects (especially encroachment and easement issues), including all assessments and levies of record at Closing, except all those exceptions accepted by Buyer. Title Company shall issue a standard form ALTA title policy to Buyer at Closing at the cost of Seller. Buyer shall pay the costs of any optional, extended coverage or other endorsements required by Buyer.
9. **Closing Costs:** At Closing, Seller shall pay:

- (a) Real estate taxes and other transfer taxes including any assessments;
- (b) Those amounts to be prorated through closing and paid by Seller pursuant to the REPSA;
- (c) One half escrow fees (and taxes thereon); and
- (d) An amount equal to the standard premium charged by the Title Company for the title policy with a face amount of insurance equal to the Purchase Price.

At closing, Buyer shall pay:

- (a) Those amounts to be prorated through closing and paid by Buyer pursuant to the REPSA; and
- (b) One half escrow fees (and taxes thereon);

10. **Closing:** Closing of the REPSA shall occur Fifteen (15) days after the expiration of the Contingency Period. The Closing period may be extended for up to One (1), Fifteen (15) day period: at a cost of Five Hundred (\$500) per extension ("Extension Fee").
11. **Seller Cooperation and Obligation:** Seller shall cooperate with Buyer in the satisfaction or removal of contingencies to Closing. Such cooperation shall include execution of all applications, plans or other required submissions, as well as support of all matters with any public or private agency. Seller grants Buyer the right to act as Seller's agent in making applications for permits in those instances for which only the owner of record of the Property can apply. Buyer shall be entitled, in its exclusive discretion and its sole expense to enter onto the Property prior to Closing to complete any and all feasibility testing and any construction improvements or public facilities required under the development approvals mandated by the applicable governmental agencies. Buyer shall name Seller as additional insured on any policy of insurance required for the completion of said construction improvements or public facilities and shall further require all contractors to name Seller as additional insured on any policies of insurance required for same. Seller shall also support Buyers planned development of the subject project during the entitlement process where appropriate.
12. **Binding Effect:** With the exception of Paragraphs 14 and 18 below, it is understood that this LOI is binding on neither Seller nor Buyer and that the REPSA shall set forth the respective rights, obligations and duties of Seller and Buyer.
13. **Exclusivity:** During the period Seller and Buyer are negotiating and documenting the REPSA, Seller covenants and agrees that it will refrain from accepting offers for the Property from any other person.
14. **Hazardous Waste:** To be addressed in the REPSA.
15. **Acceptance:** Upon Seller's acceptance of this LOI, Seller shall proceed with the preparation of the REPSA, which both parties will work diligently to execute.


16. **Counterparts:** This LOI may be executed in any number of separate counterparts, each counterpart constituting an original, and together all such counterparts shall constitute one and the same document.

17. **Confidentiality:** Buyer, Seller and Seller's Broker agree that the terms and conditions of this LOI and subsequent REPSA are confidential. They shall not disclose this confidential information except to their accountants, attorneys, and such other parties that are employed to arrange financing or to provide advice regarding this Property. Buyer, Seller and Seller's Broker shall take all necessary measures to avoid disclosure by their employees, agents, consultants or attorneys of this confidential information to unauthorized parties. Buyer, Seller and Seller's Broker are allowed to acknowledge the existence of this LOI for purposes of due diligence and processing of the project.

18. **Exchange:** Buyer agrees to cooperate with Seller in a 1031 exchange if so desired by Seller. Buyer's cooperation shall be at no expense, liability or delay to Buyer.

If the foregoing is acceptable, please so acknowledge by signing below and return this LOI to our office at the address listed above within Five days of the date listed above.

Sincerely,



Bode Miller , or assignee

Susan Forster
Justin J.P. Chimento, Broker

Agreed to and Accepted, this 2nd day of NOV., 2011

Latifondista L L C

By:
Name:
Its: