

August 23, 2021

Mr. Eric Roth
Mr. Marty Roth
CBRE
1225 17th Street, Suite 3200
Denver, CO 80202
eric.roth@cbre.com
martin.roth@cbre.com

RE: Letter of Intent to Purchase – The Pinery & Westridge Glen

Dear Eric & Marty:

I am pleased to submit this non-binding Letter of Intent to describe the terms and conditions upon which UDC MILLER, LLC or assigns (the "**Purchaser**"), is willing to consider purchasing the referenced Property from the Douglas County School District (the "**Seller**"). Please bear in mind that this Letter of Intent will not create any binding rights or obligations for either party.

1. Properties. The Properties consist of two parcels (each "a Property") generally described as:
 - a. The Pinery – Tract 1, The Pinery Filing No. 6, Property Parcel No. 201 - East of Sun Valley Road and Sunridge Hollow Road, Parker, Colorado consisting of approximately 12.35 acres; and
 - b. Westridge Glen – Southwest corner of Bitterroot Place and Ironwood Street, Douglas County, Colorado consisting of approximately 10.7 acres

The Properties include all improvements located thereon and all rights and appurtenances thereunto appertaining, including all water and water rights, mineral and mineral rights, if any.

2. Purchase Price. The Purchase Price for the Properties shall be \$7,500,000. For ease of administration, the Purchase Price shall be broken down as follows:
 - a. The Pinery - \$2,600,000
 - b. Westridge Glen - \$4,900,000

The Purchase Price shall be paid as follows: within five (5) business days after execution of TWO SEPARATE Purchase and Sale Agreements (the “**Agreement(s)**”), \$250,000.00 shall be deposited with Land Title Guarantee Company (the “**Initial Earnest Money Deposit**”). The Initial Earnest Money Deposit shall be applied as follows:

- a. The Pinery - \$100,000
- b. Westridge Glen - \$150,000

Within 3 business days after Seller’s receipt of its approved Preliminary Plan from Douglas County, an additional \$250,000 shall be deposited with Land Title Guarantee Company (the “**Additional Earnest Money Deposit**”) and immediately become non-refundable except in the event of a Seller Default and shall be applicable to the Purchase Price.

The Additional Earnest Money Deposit shall be applied as follows:

- c. The Pinery - \$100,000
- d. Westridge Glen - \$150,000

The Initial Earnest Money Deposit and the Additional Earnest Money Deposit shall hereinafter be referred to as the “**Earnest Money Deposit**”.

The balance shall be paid in cash at Closing as further defined.

3. Survey, Title & Environmental. Purchaser acknowledges receipt of ALTA Survey, Title Commitment and Phase I Environmental from Seller, thank you.
4. Due Diligence Items. Within five (5) days following the execution of the Agreement (as defined further herein), Seller shall deliver to Purchaser legible copies of all information and materials, within Seller’s possession, to the condition of the property including without limitation:
 - a. Geotechnical Report;
 - b. Any GDP, Preliminary Plat, Final Plat or otherwise of the Property, if available;
 - c. All evidence and information pertaining to water shares, mineral rights, and easements associated with the Property.
 - d. All correspondence and agreements with Douglas County, Parker, Centennial Water & Sanitation District, Denver SE Suburban Water & Sanitation District, South Metro Fire Rescue Protection District, Douglas County School District and any other applicable districts, or service providers;
 - e. All development plans and documents including but not limited to engineering, architectural, feasibility, and marketing reports;

- f. All documents related to any applicable metropolitan districts, homeowner's association, and any other applicable districts in which the Property is located (collectively, the "**Due Diligence Materials**").
5. Inspection Period. Upon the later of the mutual execution of the Purchase and Sale Agreement and the receipt of the Due Diligence Materials, Purchaser shall have ninety (90) days to approve or disapprove the Properties in Purchaser's sole and absolute discretion. To approve the Property and proceed with the transaction, Purchaser shall deliver timely written notice thereof to Seller, otherwise, the Agreement shall terminate and the Deposit shall be returned to Purchaser. If the Purchaser approves the Properties and proceeds with this transaction, the \$250,000 Initial Earnest Money Deposit will be deemed non-refundable except only in the event of a Seller default, and shall be applicable to the Purchase Price.
6. Closing Date. The closing date shall occur within thirty (30) days from a non-appealable final plat approval for each of the properties (the "**Closing Date(s)**"). To be certain, while the Properties must be contracted with Purchaser at the same time, the Closings can run on separate schedules. Meaning, if one Property is through non-appealable final plat prior to the other, Purchaser will close on the acquisition of the first Property prior to non-appealable final plat approval and eventual Closing on the second Property. On the Closing Date, Seller will deliver to Purchaser, among other closing documents, a Special Warranty Deed (in the form customarily used in Colorado).
7. Restrictive Covenant and Deed Restriction. Purchaser agrees to allow a Restrictive Covenant and Deed Restriction (a "Deed Restriction" the form of which is attached as "Exhibit A" hereto) to be recorded against each of the Properties immediately prior to Closing. Said Deed Restriction shall remain substantially in the same condition as that shown on Exhibit A, and shall only be amended to include the date of execution, name and address of Seller, address or legal description of the Property, and a proper signature block for Seller.
8. Representations and Warranties. The Agreement shall provide for standard representations and warranties customarily provided by Purchasers and sellers of properties similar to the Properties.
9. Escrow and Title. Promptly following the execution of the Agreement, escrow shall be opened with Land Title Guarantee Company ("**Escrow Holder**" or "**Title Company**", as applicable), which shall also issue the title policy to Purchaser for each Property upon their respective Closing Dates.
10. Costs and Expenses. If the transaction is consummated, then (a) Seller shall pay (i) all transfer taxes with respect to each Property transfer (if any), (ii) the premium for a standard Title Policy, and (iii) half of the Escrow Holder's fee, and (b) Purchaser shall pay (i) all recording fees, (ii)

the premium for any extended title coverage's required/requested by Purchaser and the cost of any title endorsements, and (iii) half of the Escrow Holder's fee.

11. Purchase and Sale Agreement. Purchaser can, if Seller desires, draft the definitive Agreement for the acquisition and sale of each Property within 5 business days of execution of this Letter of Intent. Otherwise, Seller shall draft and deliver the definitive Agreement for the acquisition and sale of each Property within 5 business days of execution of this Letter of Intent. Other than the provisions contained in Section 12 below, neither the execution nor delivery of this Letter of Intent, nor the circulation of drafts of the Agreement shall create any rights or obligations whatsoever with respect to either party until (or only if) the Agreement is executed and delivered, which neither party shall have any obligation to do.
12. Non-Binding Letter. This Letter of Intent is not intended to be and does not constitute a binding agreement by either party, or an agreement by either party to enter into a binding agreement. Rather, it is merely intended to specify some of the proposed terms and conditions of the transaction contemplated herein. Neither party may claim any legal rights against the other by reason of signing this letter or by taking any action in reliance thereof.
13. Exclusivity. Seller agrees not to make, accept, negotiate or otherwise pursue any other offers for the sale or purchase of the Properties after the execution of this Letter of Intent, for a period of sixty (60) days or until such time that the negotiations are terminated by Purchaser. Purchaser and Seller intend that this Paragraph 13 shall be legally binding and enforceable.
14. Seller Representation. Seller and the individual executing this Letter of Intent on behalf of Seller have the full right, power and authority to enter into this Letter of Intent.
15. Assignment. Purchaser shall have the right to assign Purchaser's rights hereunder to an entity that is affiliated, under control or common control with Purchaser or to an entity that will be an end-user of the Properties.
16. Brokers. Seller is represented by Eric Roth and Martin Roth of CBRE and shall be paid their fee by Seller. Purchaser is represented by Daniel Sheldon of United Development Companies and shall be paid their fee by Purchaser. Seller acknowledges timely disclosure from Purchaser that one or more members of Purchaser are licensed real estate brokers in the State of Colorado.

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If you are interested in proceeding on the basis outlined above, please execute a copy of this Letter of Intent and return it to me by 5:00pm MDT on August 26, 2021.

Sincerely,

UDC MILLER, LLC

Daniel R. Sheldon

Daniel R. Sheldon
Manager

Agreed and accepted this ____ day of _____, 2021 with full Authority.

Douglas County School District
Board of Directors

By: _____

Print: _____

Title: _____

Exhibit A

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

**RESTRICTIVE COVENANT AND
DEED RESTRICTION**

This Restrictive Covenant and Deed Restriction ("Covenant") is made and entered into as of the **DAY** day of **MONTH YEAR** by the SCHOOL DISTRICT, a public school district and political subdivision of the State of Colorado (the "School District"), **ADDRESS**, and is for the benefit of and enforceable by the School District.

WHEREAS, the School District is the owner of the real property described on Exhibit A attached hereto and incorporated herein by reference, located at **ADDRESS** (the "Property"). For purposes of this Covenant, the Property and all appurtenances, improvements and fixtures associated therewith shall hereinafter be referred to as the "Property"; and

WHEREAS, the School District desires to sell the Property and ensure that its development and future is compatible with the interests of the community and the School District and that the use of the Property will not adversely impact the School District; and

WHEREAS, the School District desires to subject the Property to this Covenant in order to protect and preserve the interests referred to above once the Property is sold by the School District; and

WHEREAS, this Covenant is to be binding upon any subsequent buyer, devisee, transferee, grantee, owner or holder of title of the Property, or any portion thereof, and for purposes of this Covenant, the word "Owner," shall mean and include any entity or person who acquires an ownership interest in the Property, or any portion thereof, after the recording of this Covenant in the real estate records of the County of Douglas, State of Colorado; and

WHEREAS, the Board of Education of the School District has notified the public of its intent to impose this Covenant and discussed the issue in public at a regularly scheduled meeting of the Board.

NOW, THEREFORE, in consideration of the foregoing recitals, incorporated by this reference, the School District as the owner of the Property, together with all rights and appurtenances thereto and improvements thereon, for itself, its successors and assigns and all subsequent grantees and transferees, declares, creates and imposes the following land use covenants, restrictions and limitations on the Property, or any portion thereof, and declares that the Property shall, from and after the date of the recording of this Covenant with the Clerk and Recorder of the County of Douglas, Colorado, hereafter be subject to the terms and conditions of this Covenant. This Covenant shall run with the land and the Property, shall be binding upon the Property and shall be binding upon any subsequent Owner of the Property, or any portion thereof, and their heirs, successors, and assigns, and shall be for the benefit of the School District. Acceptance of a deed or other instrument of conveyance of the Property, or any portion thereof, shall constitute acceptance and approval of this Covenant and agreement to be bound by this

Covenant without the necessity of expressly providing for such effect with respect to any particular provision herein.

1. Restrictions. The Property is subject to the following restrictions:
 - (a) No public or private school that provides or awards academic credit or credit toward vocational, professional, secondary or post-secondary degrees, licenses, or certifications shall be conducted in, on, or through the Property, including, but not limited to, charter, online, virtual, electronic, correspondence, career or technical or other educational programs or course offerings or tutoring assistance, for any children or persons who would be eligible to enroll in, attend, or participate in preschool through grade 12, or any one or combination of such grades, within or provided as part of the School District's traditional schools or regular educational programs. As further explanation of this restriction, and not in limitation of it, the purpose of this restriction is not to allow activities to be carried on at the Property that would, directly or indirectly, enroll students who would otherwise be eligible to enroll in and attend other School District schools, courses, or offerings.
 - (b) Execution of the Purchase and Sale Agreement and consummation of the transaction shall be subject to the approval of the Board of Education of Douglas County School District.
2. Term. This Covenant and the restrictions contained therein shall be in full force and effect for a period of thirty (30) years from the date of the recording of this Covenant with the Douglas County Clerk and Recorder's Office.
3. Binding Effect. This Covenant shall run with the land and the Property and shall be binding upon any transferee, grantee, or any future owner of the Property or any portion thereof. Any transfer of title to the Property, or any portion thereof, by deed or other instrument of conveyance, shall be subject to this Covenant and by acceptance of a deed or instrument of conveyance, the transferee, grantee or any future owner of the Property, or any portion thereof, shall be deemed to have consented to this Covenant and the restrictions contained therein.
4. Enforcement. This Covenant may be enforced by the School District and enforcement may be made by any lawful means, including a suit for injunctive relief and damages to reimburse the School District for enforcement costs, including reasonable attorney's fees. Venue for any suit to enforce compliance with this Covenant shall be proper in the District Court for the County of Douglas, State of Colorado. As part of any enforcement action on the part of the School District, the party that does not prevail shall be responsible for the payment of all court costs and reasonable attorney's fees incurred by the prevailing party, in connection with any action to enforce this Covenant.
5. Miscellaneous Provisions.

- a. Severability. Whenever possible, each provision of this Covenant and any other related document shall be interpreted in such a manner as to be valid under applicable law; but if any provision of any of the foregoing shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provisions of such document.
- b. Governing Law. This Covenant and each and every related document is to be governed and construed in accordance with the laws of the State of Colorado.
- c. Binding Effect. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to the benefit of and be binding upon the School District.
- d. Section Headings. Paragraph or section headings within this Covenant are inserted solely for convenience of reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.
- e. Waiver. No claim of waiver, consent of acquiescence with respect to any provision of this Covenant shall be valid except on the basis of a written instrument executed by the School District recorded in the real estate records for Douglas County.
- f. Modifications. Any modifications of this Covenant shall be effective only when made by writings approved by the School District's Board of Education, signed by an authorized officer of the Board, and recorded with the Clerk and Recorder of Douglas County, Colorado.
- g. Owner and Successors Bound. The term "Owner" shall mean the person or persons who shall acquire an ownership interest in the Property, or any portion thereof, subject to this Covenant; it being understood that such person or persons shall be deemed an "Owner" hereunder only during the period of his, her or their ownership interest in the Property, or any portion thereof, and shall be obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during such period.

SCHOOL DISTRICT SIGNATURE BLOCK

EXHIBIT A

4821-1724-2871, v. 2