



October 19, 2022

Dan Ryan Group
Mr. Ricardo Rojas
3000 RDU Center Drive
Suite 202
Morrisville, NC 27560
Sent via email to: Mr. Rojas rrojas@drbgroup.com

Re: Letter of Intent - The Farm at Neill's Creek (Tax ID# 0652-80, 0662-00-2888 and 0662-10-7069)

Lot #s: 104, 128-136, 139, 157-161, 169-172
as recorded in Harnett, Co. Bk: 2022 Pg: 203-205 JWC

Dear Mr. Rojas:

This Letter of Intent is to express our interest in entering into a contract to acquire twenty (20) fully developed lots in the Farm at Neill's Creek subdivision, located in Harnett County, North Carolina with terms consistent with the business terms and conditions set forth below. These terms and conditions would be more fully set forth in a Lot Purchase and Sale Agreement (PSA) to be executed by both parties.

Project Property: Purchase half of a total of twenty (20) lots. JWC

Purchase Price: The proposed total purchase price is \$2,300,000, based on twenty (20) lots at \$115,000 per lot.

The twenty (20) lots to be determined and agreed upon by both parties during the due diligence period. Prior to the execution of the PSA JWC

Dan Ryan Builders is responsible for HOA documents and will become the declarant based on our approval.

Purchaser's Intended Use: Construction of single family homes thereon.

Deposit: Within three (3) business days after the Effective Date, Purchaser shall post an earnest money deposit in the amount of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) (the "Deposit") with Equity Title Company, LLC, 200 Golden Oak Court, Suite 150, Virginia Beach, Virginia 23452 (the "Escrow Agent"). Two hundred thirty thousand and 00/100 Dollars (\$230,000) JWC
Purchaser shall close within 30 days after Due Diligence with an estimated balance due of \$2,300,000 made to Seller (\$115,000 per lot). \$2,070,000 JWC

Due Diligence Period: Purchaser to have 60 days following execution of PSA to investigate the Project Property to determine the feasibility of the Property for Purchaser's Intended Use, including, structural engineering studies, Phase I and other environmental studies, physical survey, title search, soil borings, zoning, confirmation of access, utilities and the like, meeting with various government agencies and such other studies, tests and inspections as Purchaser deems necessary, all with the cooperation of Seller where required. If Purchaser, in its sole discretion, is not satisfied with the Project Property, Purchaser shall send written notice to Seller before the end of the Due Diligence Period that the PSA is terminated, upon which notice, the PSA shall be terminated, Purchaser shall receive a refund of the Initial Deposit and neither party shall have any further rights under the PSA other than those that expressly survive termination.

In the event the PSA is not terminated prior to expiration of Due Diligence Period, the Deposit shall become non-refundable except in the event of Seller default.

Documents: Within 10 days of execution of the PSA, Seller shall provide any and all information relating to the Project Property, including the current title policy, environmental reports and any agreements or approvals with municipalities. Seller shall execute assignments of the above mentioned documents as deemed necessary, either prior to or at Closing.

Closing: Within thirty (30) days of completion of conditions precedent as described in the PSA, which shall include but not be limited to:

- Environmental Permits
- Completion of Due Diligence Period and no title issues
- Lot inspection/approval to be completed and any repairs agreed upon
- Any jurisdictional approvals and permits required to commence residential construction.

Closing Costs: At the Closing, Seller shall pay: (a) Grantor's tax on the Deed and (b) the cost of clearing any title objections. Purchaser shall pay (a) all state and local recordation taxes and other fees imposed by law relating to the recording of the Deed, (b) all state and local recordation taxes and other fees imposed by law relating to the recording of any deed of trust securing any loan obtained by Purchaser in connection

with the transaction, and (c) the cost of Purchaser's title insurance policy and all title company closing costs. Each of the parties will pay their own legal fees.

Closing Deliveries: At Closing, Seller shall convey marketable fee simple title by General Warranty Deed (the "**Deed**") free and clear of all mortgages, liens and other encumbrances, except for exceptions to title set forth in the Land Purchase Agreement or otherwise approved by Purchaser. Possession of the Project Property shall be delivered to Purchaser at Closing. Seller shall deliver to the closing agent at Closing (a) the standard Owner's Affidavit sufficient to remove any exceptions for mechanics' and materialmen's liens and rights of tenants in possession from Purchaser's title insurance policy, (b) a Non-Foreign Status Affidavit sufficient under Section 1445 of the United States Internal Revenue Code of 1986 to establish that Purchaser is not subject to the withholding requirements of said Section, and (c) such other documents and items as are reasonably requested by closing agent, the title insurance company issuing Purchaser's title insurance policy, and/or Purchaser's counsel and are customarily delivered by sellers of real property in Harnett County, North Carolina.

Prorations: Real estate taxes and storm water fees shall be prorated at Closing and assumed thereafter by Purchaser.


Any rollback or similar taxes shall be paid by Seller.

Public sewer and water system benefit charges, if any, shall be prorated to the date of Closing and assumed thereafter by Purchaser.

Definitive Purchase and Sale Agreement: Purchaser will prepare a draft of the PSA consistent with the basic terms set forth in this letter of intent, for Seller's review and approval within 10 days of the execution of this Letter of Intent. Purchaser and Seller will use reasonable efforts to finalize and enter into the PSA, in their sole and absolute discretion, within 21 days.

Exclusivity: Seller to deal exclusively with Purchaser in the negotiation of a mutually acceptable PSA for 21 days from execution of this Letter of Intent and if a PSA is executed, the period of exclusivity will be extended through the earlier of the termination of the PSA or Closing.

Broker: Purchaser and Seller each represent and warrant to the other that no real estate broker has been used by Purchaser and/or Seller in connection with the transaction contemplated by this Letter of Intent.

- Assignment:** Purchaser has the right to assign the PSA to an entity controlled by Purchaser or its principals, or under common control with Purchaser, *with Seller's consent, not to be unreasonably withheld.* 
- Confidentiality:** Purchaser and its authorized representatives and advisors shall keep confidential: (a) all material delivered by Seller to Purchaser hereunder, and (b) the provisions of this Letter of Intent. The confidentiality obligations herein shall survive the termination of this Letter of Intent.
- Non-Binding:** This Letter of Intent is intended to constitute a non-binding expression of intent. It is understood that neither party is legally bound to the other (whether under this letter or otherwise) until terms and conditions related to this transaction are negotiated and incorporated into the PSA signed and delivered by both parties. Until the PSA is executed, except as set forth in the **Confidentiality** and **Exclusivity** paragraphs, neither party shall have any legal or equitable duty or obligation to the other.
- Counterparts:** This Letter of Intent may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile or email signature shall be deemed an original.
- Letter of Intent:** This Letter of Intent, if and when executed by Seller and Purchaser, confirms the mutual intention of Seller and Purchaser to negotiate in good faith the terms and provisions of a definitive PSA for the transactions described herein on terms and conditions set forth in this Letter of Intent and upon such other terms as are mutually acceptable to Seller and Purchaser. When executed and delivered by both Seller and Purchaser, the definitive PSA shall supersede the terms of this Letter of Intent in all respects.

Should you need additional information or would like to discuss this offer, please don't hesitate to contact me. To acknowledge your agreement with the above terms and your intent to pursue a transaction on these general terms, we ask that you sign this letter below and return it to my attention. We look forward to your response and are eager to move forward with this transaction.

October 19, 2022
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Very truly yours,

Wakefield Development, LLC


John R. Barnes
Land Manager

SELLER:

~~KB Home~~ DRB Homes North Carolina, LLC

By:  _____

Name: Jay Colvin

Title: Director of Land Acquisition

Date: 10/26/2022