



VIA HAND DELIVERY

December 30, 2009

Marin Town & Country Club, LLC
c/o Michael Mackintosh
P.O. Box 150870
San Rafael, CA 94915

Re: *Ross Valley School District*
Letter of Intent to Negotiate Purchase of Property

Dear Mr. Mackintosh:

As you are aware, the Ross Valley School District ("District") has recently undertaken a search for property on which to house a new elementary school for students of the District in the Fairfax area. We understand that you own certain real property located at 60 Pastori Avenue, Fairfax, California. We further understand that you have had your property on the market for sale and that you remain interested in the District potentially making an offer to purchase your Property, or some portion thereof.

The purpose of this letter is to memorialize the terms and conditions under which the District would be willing to negotiate a purchase and sale agreement. The proposed terms are as follows:

1. Parties:

- a. Ross Valley School District
- b. Marin Town and Country Club, LLC, c/o Michael Mackintosh ("Seller" or Owner")

2. Property:

- a. Marin County, Assessor Parcel No. 002-131-10 and 002-131-11 (portion)
- b. The property is located at 60 Pastori Avenue, Fairfax, CA.
- c. The property consists of approximately 8 acres of undeveloped area (the "Property"). The specific boundaries of the Property would be negotiated

VIA HAND DELIVERY

Marin Town & Country Club, LLC

December 30, 2009

Page 2

between and mutually agreed upon by the District and the Owner. The final configuration of the Property will be attached hereto as Attachment "A."

- d. In addition to the acquisition of the 8-acre site, the District believes the parties will need to negotiate access easements to ensure that both parties have adequate roadways for ingress and egress to and from each of the parcels after the District's acquisition of the 8-acre site.
3. **Purchase Price:** The District had the Property appraised by Christopher E. Frasco, MAI of Frasco & Associates. The valuation conclusion for the proposed 8-acre acquisition is **Four Million Dollars (\$4,000,000.00)**. A copy of the Appraisal Report is attached hereto as Attachment "B."

4. **Definitive Agreement:**

District will prepare a Purchase and Sale Agreement for review, comment, and approval by all parties, including other required signatories of the Owner.

5. **Contingencies:**

Escrow, the period of which is negotiable, shall not close unless and until all of the following contingencies have either been satisfied or waived by District:

- a. **Clear Title: Title to the Property shall be conveyed to District at close of escrow free and clear of any and all liens, encumbrances and any other items affecting title other than the following exceptions:**

A lien for non-delinquent taxes and assessments;

Any exceptions which the Title Report discloses that are accepted in writing by the District; and

The printed exceptions in the applicable Title Policy.

- b. **Condition of the Property/Hazardous Materials: Owner represents and warrants that it is not aware of the existence of any defect or condition which would prevent the use of the Property, including but not limited to, the condition of the soil, the existence of geologic hazards or groundwater contamination on the Property, the existence of ecological or environmental impediments to the intended use of the Property, or the transfer of any water rights which are appurtenant to the Property. In**

VIA HAND DELIVERY

Marin Town & Country Club, LLC

December 30, 2009

Page 3

accordance with California Health and Safety Code Section 25359.7, Owner represents that to its actual knowledge, no release of Hazardous Materials (as defined below) has come to be located upon or under the Property. Owner further confirms that to its actual knowledge, no underground storage tanks are located at the Property.

- c. State and Local Regulatory Agencies' Approval: Acceptance and approval of the Property for school site purposes by appropriate state and local regulatory agencies, including, but not limited to, the Marin County, California Department of Toxic Substances Control, California Department of Education, U.S. Army Corps of Engineers, U.S. Fish and Wildlife Department, California Department of Fish and Game, the Regional Water Quality Board, the State Allocation Board, and the Office of Public School Construction.**
- d. Compliance with California Environmental Quality Act ("CEQA):** The District's offer is contingent upon satisfactory compliance with any CEQA requirements applicable to a project including acquisition of the Property. Owner further agrees not to contest the District's project for construction of an elementary school through the CEQA process.
- e. Funding:** The parties understand that the District will be seeking a bond from its voters in June 2010 to generate funding for, among other things, the acquisition of property for and construction costs of a new elementary school. The acquisition of the Property would be subject to the successful passage of this bond. In the event the District's bond does not pass, the District will have the right to terminate the Purchase and Sale Agreement.

6. Brokerage:

Each of the parties would represent and warrant to the other that it had / had not retained a broker in connection with this transaction, and would agree to indemnify the other in connection with any claims for a commission made by any broker claiming through such indemnifying party.

7. Counterparts:

The parties agree that this letter may be signed in counterparts.

VIA HAND DELIVERY

Marin Town & Country Club, LLC

December 30, 2009

Page 4

This letter shall not constitute a formal and binding agreement. This letter reflects the District's proposed terms and conditions of a purchase and sale transaction, and expects that the definitive Agreement will be consistent with this letter (or further negotiations, if any). This letter shall not, however, create any legal rights or obligations between the parties. Neither one shall have an obligation to negotiate, and either one may discontinue discussions at any time for any reason or no reason prior to mutual execution and delivery of the definitive Purchase and Sale Agreement which has been properly approved by the Board of Trustees of the District. It is intended that all legal rights and obligations of each shall only be those which are set forth in the mutually executed and delivered definitive Purchase and Sale Agreement.

Should the foregoing meet with your approval, please execute the copy of this letter enclosed herewith and return to me.

Very truly yours,

ROSS VALLEY SCHOOL DISTRICT

Bryce Sumnick

READ AND APPROVED:

DISTRICT:

Date: _____

ROSS VALLEY SCHOOL DISTRICT

By: _____
Sharon Sagar

PROPERTY OWNER:

Date: _____

**MARIN TOWN & COUNTRY CLUB,
LLC**

By: _____
Michael Mackintosh

ATTACHMENT "A"
(Proposed 8-Acre Parcel)

The proposed school site is located within the southeasterly portion of the property including a portion of parcel 002-131-10 and a portion of 002-131-11 totaling an area of 8.0 acres.

VIA HAND DELIVERY

Marin Town & Country Club, LLC

December 30, 2009

Page 6

ATTACHMENT "B"
(Appraisal Report)