



K-PARK WELLINGTON – LETTER OF INTENT

February 5, 2024

12300 Forest Hill Blvd.
Wellington, FL 33414
Attention: Jim Barnes, Village Manager

Sent via email to: jbarnes@wellingtonfl.gov

RE: Related Companies Offer for the K-Park Parcel

Dear Jim Barnes,

We have enjoyed our conversations to date and are excited to collaborate with you and the Village Council Members on the “K-Park” property.

Our intended use of the Eastern Parcel is to develop a well landscaped, vibrant mixed-use retail / residential program with robust amenities. The residential community proposal is organized around a lifestyle retail center utilizing a “main street” format to include a diverse set of shops, cafes and restaurant offerings. The program also includes outdoor public realm uses available to Wellington residents and visitors.

Based upon prior discussions with the Village, for up to a three-year period, Related’s proposal preserves an opportunity to use the Western Parcel for a top-tier private K-12 school.

The following are the key terms pursuant to Related Companies’ interest in purchasing the Property:

Property: A portion of the real property generally located at 10400 Stribling Way in Wellington, FL and identified with Parcel Control Numbers on EXHIBIT A shall be referred to as the “Property.” The “Property” shall refer to the Eastern Parcel (35 AC), subject to the shape, size and boundary reconfiguration described in the “Parcel Configuration” section below. Buyer shall have the option to purchase the Western Parcel (~31.3 AC) (the “Western Parcel”) and the Right of Way (~3.6 AC) (the “Right of Way”) each described on EXHIBIT A as further described in this letter.

Parties:

- **Seller:** [Village of Wellington], or one of its affiliated entities.
- **Buyer:** Related Southeast LLC or one of its affiliated entities.

Purchase Price: **\$25.20** Million USD (**\$720,000 / Acre**) assuming a 35-acre Eastern Parcel (see “Parcel Configuration” section below). The \$720,000 / Acre is consistent with the appraisal conducted by Callaway & Price, Inc. in 2023 (the “Appraisal”).

Deposits: The below deposits will be credited towards the Purchase Price at Closing. All deposits shall be non-refundable, subject to satisfaction of all conditions precedent to Buyer’s closing obligations (including receipt of all Approvals), and except for Seller’s default in

its obligation to close in accordance with the purchase and sale agreement entered into by Buyer and Seller (the "PSA") and other defaults of Seller as set forth in the PSA:

- **Initial Deposit:** Within three (3) business days of the execution of a PSA with respect to the Property (the "Effective Date"), Buyer will deposit into escrow an initial deposit equal to **\$500,000**, of which:
 - o **\$100,000** shall be non-refundable upon execution of the PSA,
 - o **\$400,000** shall become non-refundable upon Buyer obtaining all Approvals.
- **Second Deposit:** Within 120 days following the Effective Date, Buyer will make a refundable deposit equal to **\$500,000**, which shall become non-refundable after the later to occur of (i) expiration of the Approvals Period and (ii) Buyer obtaining all Approvals.
- **Extension Deposit:** Within three (3) business days following the expiration of the Approvals Period, Buyer may elect in its full discretion to exercise the Extension Period by depositing **\$200,000** into escrow, which shall become non-refundable upon Buyer obtaining all Approvals.

Due Diligence & Approvals Period:

Buyer shall have **three hundred and sixty-five (365) days** after the Effective Date to perform its due diligence and seek all Approvals.

Extension Period:

If Buyer has not obtained all Approvals, Buyer shall have one (1) extension right to extend the Due Diligence & Approvals Period for up to **ninety (90) days**. Buyer shall provide written notice to Seller at least 30 days prior to the end of the Due Diligence & Approvals Period.

Closing:

The Closing shall occur on the date that is **thirty (30) days** after the end of the Due Diligence & Approvals Period (and if such date is not a business day, the second business day thereafter) (the "Closing Date"). Closing may occur earlier with mutual agreement by both Parties.

Approvals:

Buyer shall be responsible for obtaining all Approvals. Please see *Exhibit B* for a definition of Approvals, which shall be further defined in the PSA.

Seller will promptly and fully cooperate with Buyer in seeking all Approvals from and after the Effective Date (such cooperation to include, without limitation, directly communicating support for the granting of Buyer's Approvals and Buyer's planned development to all elected officials and governmental authorities and submitting proposed plans and other documentation).

Prior to any such pursuit on Approvals, Buyer agrees to collaborate in good faith with the Seller, Village of Wellington residents, and other members of the community to pursue a development that is generally acceptable and well received.

Purchase Option:

At any time prior to the date that is **3 years** after the Closing Date ("Purchase Option Period") and upon no less than 6 months' prior notice, Buyer shall have an option to purchase the entire Western Parcel and the Right of Way (collectively, the "Purchase Option Parcel") to use for its intended use at **\$720,000 / Acre**. Buyer shall have the right to assign the Purchase Option to another entity ("Assignee") without Seller's consent, provided that Assignee will use the Purchase Option Parcel for educational use only. The PSA shall provide that Seller acknowledges and agrees that in the event of such assignment, the Assignee shall have the right to purchase the Purchase Option Parcel at a purchase price of no more than **\$430,000 / Acre**. The \$430,000 / Acre is consistent with the Appraisal. The other terms and conditions of the purchase of the Purchase

Option Parcel by Assignee shall be addressed in a separate agreement between Assignee and Seller. During the Purchase Option Period, Buyer and Seller shall collaborate with each other in good faith regarding, and keep each other informed of, their respective private school initiatives. If Buyer does not exercise its Purchase Option or assign its Purchase Option by the expiration of the Purchase Option Period, Seller shall be permitted to sell or otherwise utilize the Purchase Option Parcel at its sole discretion.

Closing Conditions: Buyer's obligation to consummate the Closing will be subject to satisfaction of the following: i) Receipt of all Approvals, ii) conveyance of fee simple title of the Property to Buyer in free and clear condition, and iii) satisfaction of customary closing conditions to be set forth in the PSA.

Closing Costs: Seller shall pay customary closing costs and documentary stamp tax on the deed. Buyer shall pay for title insurance. Real estate taxes and other commonly prorated items shall be prorated at Closing. Detail to be further addressed in the PSA.

Parcel Configuration: Buyer and Seller shall work in good faith to determine the appropriate shape (i.e., to adjust to be of more "regular shape"), size and boundaries for the Eastern and Western Parcels. Seller shall split the Eastern and Western Parcels based on the final agreed shape, size and boundaries prior to Closing.

Other Terms: The parties acknowledge and agree that this LOI is for purposes of facilitating discussion between the two parties and does not set forth all of the terms and conditions of an agreement to sell the Property, which terms and conditions shall be further set forth in the PSA. This LOI supersedes in its entirety any prior proposals, written or oral, relating to the subject matter hereof and is subject to the negotiation and execution of the PSA. Except for the obligations of Buyer and Seller in the sections titled "Exclusivity" and "Governing Law; Jurisdiction", this LOI shall not create any rights or obligations on either Buyer or Seller and neither Buyer nor Seller will be bound by the terms and provisions hereof unless and until the PSA has been executed and delivered by both parties. Either party may withdraw from negotiations of the PSA at any time in such party's sole discretion without liability, except as expressly set forth herein.

Exclusivity: From and after execution of this LOI, Seller agrees that Seller, its affiliates and its and their respective officers, directors, members, employees and agents, shall exclusively negotiate with Buyer and shall not solicit, negotiate or otherwise communicate with any party other than Buyer (or permit any advertising or offering), or initiate any bid process, regarding the leasing, purchase, sale or development of (or joint venture with respect to), all or any portion of Property or the entire Western Parcel and the Right of Way. The PSA will contain the same exclusivity language.

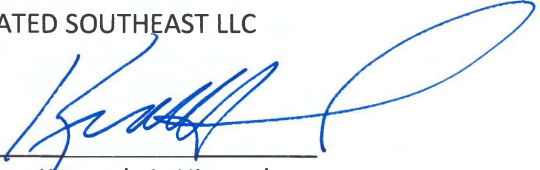
Governing Law; Jurisdiction: This LOI shall be governed in all respects by the substantive laws of the State of Florida, without regard for conflict of law principles. Each party hereby irrevocably and unconditionally agrees that any legal action, suit or proceeding arising out of or relating to this LOI may be brought in a court of competent jurisdiction located in Palm Beach County, State of Florida, and hereby irrevocably and unconditionally submits to the personal jurisdiction and venue of such courts for the purposes thereof.

Brokerage / 3rd Parties: Both Buyer and Seller shall compensate their respective brokers and 3rd parties separately, to be further defined in the PSA.

If the terms and conditions stated herein are satisfactory, please sign this Letter of Intent and return as soon as possible.

Sincerely,

RELATED SOUTHEAST LLC

By: 
Name: Kenneth A. Himmel
Title: President

AGREED TO AND ACCEPTED this ____ day
of _____ 2024

VILLAGE OF WELLINGTON

By: _____
Name:
Title:

EXHIBIT A: PROPERTY DETAIL

Primary Address: 10400 Stribling Way, Wellington, FL 33414

PCNs: 73-42-43-27-05-026-0011, 73-41-44-24-06-003-0000

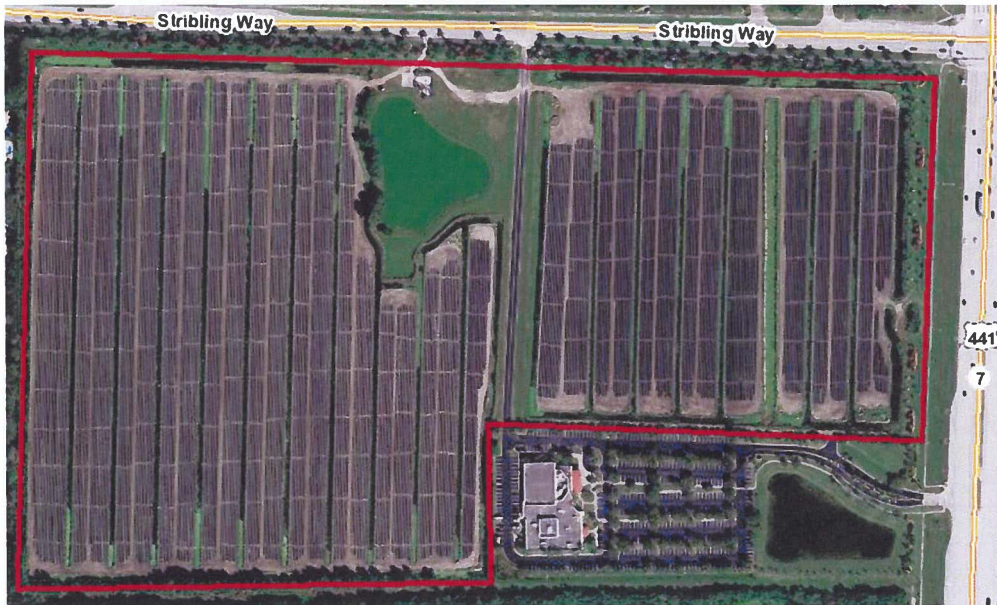
Parcel 1

Short Legal Description:

PALM BEACH FARMS CO PL NO 3, TR 1 (LESS ELY 220.45 FT SR 7 R/W), TRS 2 THRU 4, TR 5 (LESS S 86 FT), TR 6 (LESS S 86 FT & NLY 414 FT OF SLY 501 FT OF ELY 261.85 FT), TR 7 (LESS SLY 410 FT) & TR 8 (LESS SLY 355 FT & ELY 220 FT SR 7 R/W) & SLY 70.60 FT OF WLY 2595 FT OF LWDD TR LYG N OF & ADJ TO TRS 1 THRU 4 & 25 FT STRIP LYG W OF & ADJ TO TRS 4 & 5 BLK 26

Land Area: 66.2734 AC

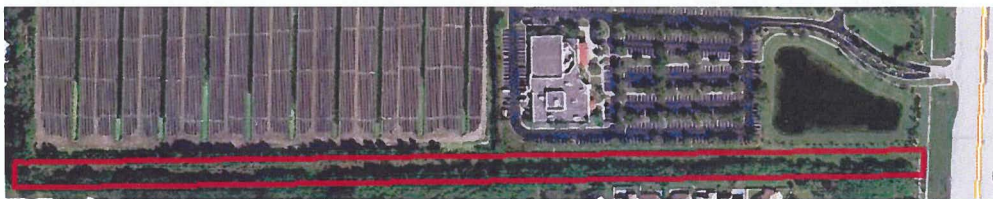
- Eastern Parcel: 35 AC
- Western Parcel: 31.2734 AC



Parcel 2

Short Legal Description: OAKMONT ESTATES PUD TR C K/A CIVIC

Land Area: 3.6036 AC



Total Site Area: 69.877 AC

EXHIBIT B: APPROVALS

“Approvals” shall mean all approvals (including the expiration of any applicable appeal periods without any party filing an appeal or the final adjudication of any appeals that have been filed, as applicable) from any governmental or quasi-governmental agency required for Buyer to develop the Property for Buyer’s intended use, including but not limited to, Comprehensive Plan amendments, Future Land Use amendments, Zoning amendments, Master Plan, site plan, traffic concurrency, engineering, environmental, water management, DEP, Army Corps of Engineers, and FDOT approvals.