



Finance  
Development  
Management

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June 26, 2024

New Mexico Mortgage Finance Authority  
344 4<sup>th</sup> Street SW  
Albuquerque, NM 87102

Re: West Mesa Ridge – UPCs: 101005849430610301, 101005851430610302, 101105801030720101,  
101105802332020102

To Whom It May Concern,

Chelsea Investment Corporation (CIC) is the Optionee to purchase and develop the above-referenced property, West Mesa Ridge. YES Housing (YES) and CIC have entered an MOU to create a partnership to construct and own West Mesa Ridge.

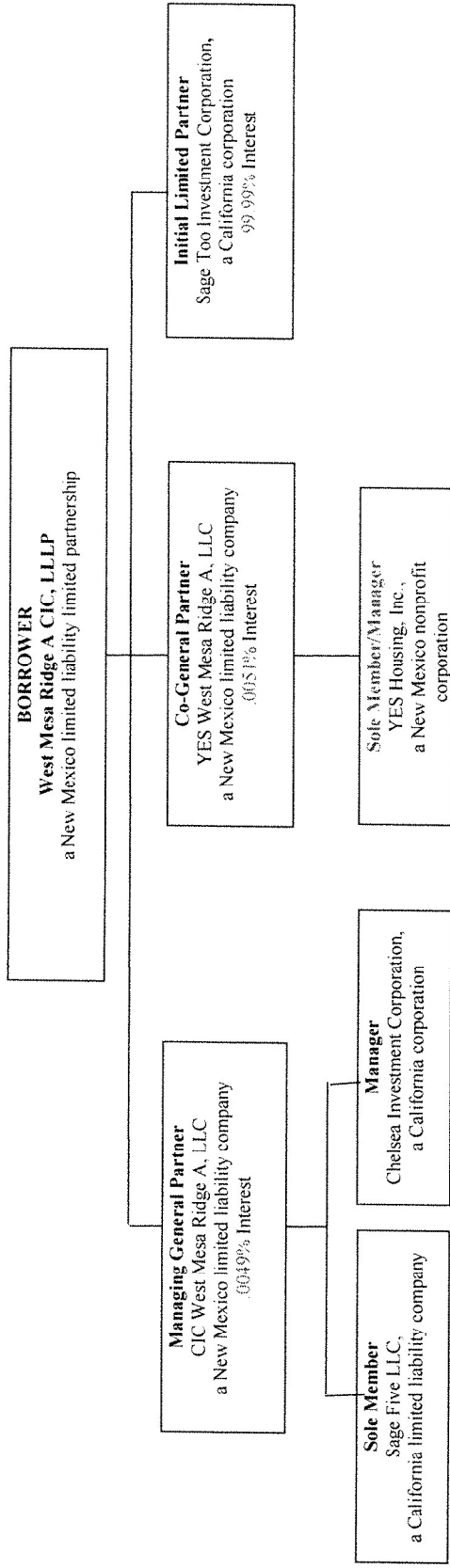
CIC authorizes YES Housing to correspond with and act on behalf of Chelsea Investment Corporation regarding the City of Albuquerque zoning process.

Sincerely,

A handwritten signature in blue ink that reads "Cheri Hoffman".

Cheri Hoffman  
President

**WEST MESA RIDGE A CIC, LLLP**



## PURCHASE OPTION AGREEMENT

This Purchase Option Agreement is entered into as of April 17, 2023, 2023 (the "Effective Date"), by and between Sage Won Investment Corporation, a California corporation (the "Optionee"), and Helen A. Grevey, Co-Trustee of the Marianne Grevey Fischer Revocable Trust u/t/a July 27, 2007 (6.236%), Helen A. Grevey, as Trustee under that certain Helen A. Grevey 2011 Trust, u/t/a dated December 14, 2011 (6.236%), AVS, LLC, a New Mexico limited liability company (65.988%), and J & J Grevey Family LLC, a New Mexico limited liability company (21.54%) (collectively the "Optionor"). The parties recite and agree as follows:

### Recitals

A. The Optionor holds the fee simple title to certain real estate hereinafter described which the Optionee desires to purchase.

B. The Optionor wishes to grant an option to Optionee to purchase the Property on the terms and conditions set forth herein for the purpose of developing the Project, and the Optionee wishes to accept an option to purchase the Property from the Optionor on the terms and conditions set forth herein to develop the Project.

Now, therefore, for and in consideration of the foregoing, and in consideration of the Option Price hereinafter described and the covenants from the Optionee and the Optionor and the other terms and conditions hereinafter set forth, the parties agree as follows:

### Agreement

1. **Definitions.** As used in this Agreement, the following capitalized terms shall have the following meanings:
  - a. **Agreement.** This Purchase Option Agreement.
  - b. **Closing.** The closing of the purchase and sale described herein. The Closing date shall be carried out through an escrow with Old Republic Title Company no later than Sixty (60) days following Optionor's receipt of Optionee's written notice of exercise of the Option, as set forth in Section 2.4 (the "Closing Date" or "Closing").
  - c. **Effective Date.** The date this Agreement is fully executed.
  - d. **Project.** Development of multifamily apartments on the Property for use as low-income housing.
  - e. **Property.** The real property located at NWC of Coors Blvd and Fortuna Rd, Albuquerque, NM 87121, more particularly described on the attached **Exhibit A**, including (1) any existing surveys, environmental reports and leases relating to such real property in Optionor's possession (the "Work Product"), together with all reserves

including replacement reserves and all accounts including taxes and insurance accounts held in connection with the Property ("Reserves/Accounts") as of the Closing Date. Optionor makes no representation or warranty regarding any existing surveys or environmental reports relating to the Property in Optionor's possession.

f. Optionee. Sage Won Investment Corporation, a California corporation, or its assignee.

g. Optionor. Helen A. Grevey, Co-Trustee of the Marianne Grevey Fischer Revocable Trust u/t/a July 27, 2007 (6.236%), Helen A. Grevey, as Trustee under that certain Helen A. Grevey 2011 Trust, u/t/a dated December 14, 2011 (6.236%), AVS, LLC, a New Mexico limited liability company (65.988%), and J & J Grevey Family LLC, a New Mexico limited liability company (21.54%).

h. Escrow and Title Company. Old Republic Title Company (Lisa Ortega – [L.Ortega@oldrepublictitle.com](mailto:LOrtega@oldrepublictitle.com)) will act as both the title company (in such capacity, the "Title Company") and escrow holder (in such capacity, the "Escrow Holder") for the purchase agreement contemplated herein.

## 2. Option.

2.1 Optionor hereby grants to Optionee the exclusive option ("Option") to purchase the Property, on the terms and conditions set forth in this Agreement.

2.2 Within three (3) days of the Effective Date, Optionee shall pay to Optionor One Hundred Dollars (\$100.00) ("Option Price") in consideration of the Option, which amount shall be credited to the Purchase Price at the Close of Escrow (as defined below). The Option Price is earned when paid and is nonrefundable consideration for the Option.

2.3 The term of this Option (the "Option Term") shall commence on the Effective Date and shall expire at 11:59 p.m. on that date that is Twelve (12) months following the Effective Date. Optionee shall have the right to extend the Option Term an additional Two (2) periods, each for a duration of Six (6) months, at a cost of Fifty Thousand Dollars (\$50,000.00) per extension by giving written notice of such extension to Optionor prior to the expiration of the Option Term. The extension deposit(s) will be nonrefundable when made, subject only to the default of Optionor, held in escrow and shall be applied to the Purchase Price at Close of Escrow. However, if Optionee has failed to comply with the requirements of the New Mexico Mortgage Finance Authority in making application for tax credits, Optionee may only make a request for such extension with the consent of the Optionor.

2.4 Except as otherwise provided herein, upon satisfaction of the contingencies set forth in Section 8 below, the Option may be exercised by Optionee by delivering written notice to Optionor stating without condition or qualification, that the Option is exercised on or before the expiration of the Option Term.

2.5 If Optionee fails to satisfy any of the conditions set forth in Section 8 below on or before the expiration of the Option Term (or such sooner date set forth



therein), or if Optionee fails to deliver the written notice to Optionor described in Section 2.4 above on or before the expiration of the Option Term, the Option and this Agreement shall be terminated and cancelled, and the Earnest Money (defined below) shall be subject to the terms set forth in Section 3.2 below.

2.6 Memorandum of Option. Concurrent with the execution and delivery of this Option Agreement, Optionee and Optionor shall each deliver to Escrow Holder one (1) duly executed and acknowledged original of a Memorandum of Option (the "Memorandum of Option"), substantially in the form attached hereto as **Exhibit B**. Upon receipt of a fully executed Memorandum of Option, Escrow Holder shall record such Memorandum of Option against the Land in the Office of the County Recorder for Bernalillo County ("Recorder's Office"). Concurrent with delivery of the Memorandum of Option, Optionee shall execute and deliver to Escrow a "Termination of Memorandum of Option" substantially in the form attached hereto as **Exhibit C** and same shall be held for recording upon the termination or expiration of the Agreement. Upon termination or expiration of the Agreement, Title Company shall record the Termination of Memorandum of Option.

### 3. Purchase Price/Earnest Money.

3.1 The purchase price for the Property shall be Three Million Two Hundred Forty Six Thousand Dollars (\$3,246,000.00) if the Optionee delivers written notice of exercise of the option to the Optionor within twelve (12) months of the Effective Date. The purchase price for the Property shall be Three Million Two Hundred Ninety Six Thousand Dollars (\$3,296,000.00) if the Optionee delivers written notice of exercise of the option to the Optionor between thirteen (13) months and eighteen (18) months from the Effective Date. The purchase price for the Property shall be Three Million Three Hundred Forty Six Thousand Dollars (\$3,346,000.00) if the Optionee delivers written notice of exercise of the option to the Optionor between nineteen (19) months and twenty four (24) months from the Effective Date (the "Purchase Price"). The Purchase Price shall be payable by the Optionee in cash or cashier's check at Closing.

3.2 Upon the execution of this Agreement, the Optionee shall deliver the sum of Twenty-Five Thousand Dollars (\$25,000.00) (the "Earnest Money") in immediately available federal funds to the Title Company's escrow account. The Earnest Money shall be held by the Title Company in an interest-bearing account and be disbursed or applied by the Title Company in accordance with the provisions of this Agreement. All interest accrued on the Earnest Money shall be the property of the Optionee. If the sale of the Property is consummated, the Earnest Money and accrued interest shall be applied to the Purchase Price. The Earnest Money will be refundable to the Optionee unless and until the Optionee has delivered an Approval Notice (defined below) to Optionor and Escrow Holder. If Optionee delivers an Approval Notice to Optionor and Escrow Holder, the Earnest Money shall become non-refundable unless Optionor defaults under the Agreement, and shall be held in escrow until (i) Closing, if Optionee exercises the Option, at which time it shall be applied to the Purchase Price; or (ii) termination of the Agreement if Optionee does not exercise the Option or the transaction does not close for any reason other than Optionor's default, at which time it shall be released to Optionor. The total amount of the Earnest Money and the

payment(s) for the Option and any extension of the Option Term shall constitute liquidated damages which shall be the sole remedy of the Optionor in the event of Optionee's failure to exercise the Option after the expiration of the Feasibility Period for any reason or Optionee's default under the Agreement.

3.3 If the Optionee elects to terminate this Agreement during the Feasibility Period in accordance with any of the provisions contained in Sections 4 through 7 hereof, the Earnest Money shall be returned to the Optionee.

3.4 In order to reduce the administrative difficulties sometimes encountered by title companies in determining the correct disposition of Earnest Money, the Optionee and the Optionor hereby irrevocably instruct the Title Company as follows in connection with the Earnest Money: (i) if at any time prior to the expiration of the Feasibility Period, the Optionee delivers to the Title Company and the Optionor a written certification that the Optionee is entitled to a return of the Earnest Money in accordance with the provisions hereof, then in such event, the Title Company shall return to the Optionee the Earnest Money, or, (ii) at any time after the expiration of the Feasibility Period either party delivers to the Title Company and the other party a written certification that such party is entitled to the Earnest Money in accordance with the provisions hereof, and the other party does not deliver a written objection to the Title Company and the noticing party within five (5) days of receipt of such certification, then, in such event, the Title Company shall deliver the Earnest Money to the noticing party.

#### 4. Feasibility Period.

4.1 The Optionee shall have nine (9) months from mutual execution of this Agreement (the "Feasibility Period") to undertake all investigations necessary to determine, in the Optionee's sole discretion, the feasibility of utilizing the Property for the Optionee's intended use and to deliver to Optionor and Escrow Holder a written notice confirming its feasibility approval (an "Approval Notice"). In the event the Optionee determines, for any reason, that it is not feasible for the Optionee to utilize the Property for the Optionee's intended use, the Optionee may terminate this Agreement by notifying the Optionor and the Title Company in writing.

4.2 At all reasonable times during the Feasibility Period, the Optionee and Optionee's agents shall be entitled to access to the Property following reasonable notice to the Optionor in order to conduct various tests and inspections, including physical inspections (including without limitation, additional soil tests and environmental site assessments) and to undertake such other due diligence as the Optionee shall deem appropriate. Except as otherwise provided herein, any and all inspections, tests, audits and other investigations performed by the Optionee or its agents and representatives shall be at Optionee's sole cost and expense and without liability to the Optionor, and shall be conducted during normal business hours, and shall not disrupt or interfere with the tenants of the Property. The Optionee shall leave the Property in the same condition as it was before the Optionee's inspection of the Property and shall indemnify the Optionor against any claims that may be asserted against the Optionor as a result of the Optionee's



investigation of the Property. As a condition precedent to Optionee's or Optionee's agents first entry onto the Property, Optionee or its agents will deliver to Optionor a certificate of insurance (from an insurance company and in form reasonably acceptable to Optionor) evidencing that Optionee or its agents have insurance, commercially reasonably acceptable to Optionor, with no less than \$1 million liability limits. The obligations of the Optionee pursuant to this Section will survive the Closing or termination of this Agreement.

4.3 Within ten (10) days following the execution of this Agreement, the Optionor, at the Optionor's expense, shall deliver the Work Product to the Optionee, with the understanding that Optionor makes no representation or warranty regarding any existing surveys or environmental reports included with the Work Product, including without limitation the following documents:

- (a) existing environmental reports and any follow-up hazardous substance condition reports;
- (b) any information and/or soils reports relating to the geo-technical conditions of the Property; and
- (c) existing surveys of the Property and copies of all covenants, conditions and restrictions applicable to the Property, and
- (d) existing leases relating to the Property.

## 5. Title.

5.1 Merchantable and insurable title to the Property shall be conveyed by the Optionor to the Optionee by Special Warranty Deed, free of all liens and encumbrances, except for any exceptions shown in the title policy which are specifically approved or waived by the Optionee in writing pursuant to the provisions of Section 5.2 below.

5.2 Within ten (10) days following the execution of this Agreement, the Optionor, at the Optionor's expense, shall deliver to the Optionee a title commitment (with legible copies of all documents listed or described therein) to issue an ALTA owner's policy of title insurance in the amount of the Purchase Price with respect to the Property. The Optionee shall notify the Optionor of any objections the Optionee has to the title commitment in writing within one hundred eighty (180) days of the Effective Date. Any objections not timely made are deemed waived. The Optionor shall, within ten (10) days of receipt of the Optionee's objections, notify the Optionee in writing of the objections which the Optionor intends to cure. Failure of the Optionor to respond to the Optionee's objections within the ten (10) day period shall be deemed a refusal to cure such objections, if any. The Optionee shall then either proceed under the terms of this Agreement, waiving any of the uncured objections, or shall promptly terminate this Agreement. All objections that the Optionor consents to cure shall be cured as a condition precedent to Closing. Late delivery of the title commitment letter after prompt application by the Seller for the same shall not be deemed either a default or failure to comply with the delivery covenant specified for tender of the title commitment.

5.3 At the Closing, the Optionor shall cause to be issued to the Optionee a standard ALTA form of owner's title insurance policy with respect to the Property in the amount of the Purchase Price. The title insurance policy shall contain only those exceptions consented to by the Optionee pursuant to the provisions of this Agreement, plus any additional exceptions required by the Title Company after its review of the survey to be provided under Section 6 below and accepted by the Optionee pursuant to the provisions of this Agreement ("Permitted Exceptions"). The Optionor shall pay the cost of the owner's title insurance policy and the Optionee shall be responsible for the additional costs for extended title insurance coverage and title insurance endorsements required by the Optionee, including the cost to remove standard exceptions 1 through 7.

6. Survey.

6.1 At any time following the date of this Agreement, the Optionee may procure, at the Optionee's expense, an ALTA survey of the Property (the "Survey") acceptable to Optionee and sufficient for the Title Company to cause the deletion of the survey exception from the title policy. Optionee shall provide Optionor a full and complete copy of any survey obtained within ten (10) days of obtaining the same.

6.2 The Optionee shall notify the Optionor of any objections to the Survey of the Property or matters reflected therein in writing within one hundred eighty (180) days of the Effective Date. Any objections not timely made are deemed waived. The Optionor shall, within (10) days of receipt of the Optionee's objections notify the Optionee in writing of the objections which the Optionor intends to cure. Failure of the Optionor to respond to all or any of the Optionee's objections within the ten (10) day period shall be deemed a refusal to cure those objections. The Optionee shall then either choose to close without a reduction to the Purchase Price, waiving any of the uncured objections, or shall promptly terminate this Agreement. All objections that the Optionor consents to cure shall be cured as a condition precedent to Closing.

7. Phase I.

7.1 At any time following the date of this Agreement, the Optionee may procure, at the Optionee's expense, a Phase I Environmental Report (the "Phase I"), prepared by an environmental consultant acceptable to the Optionee, in a form acceptable to the Optionee. The Phase I Environmental Report shall include a test report of all suspected asbestos containing material. Should Optionee elect to procure a Phase I Environmental Report, Optionee shall also provide a copy of the same to Optionor.

7.2 The Optionee shall notify the Optionor of any objections to the Phase I or matters reflected therein in writing within one hundred eighty (180) days of the Effective Date. Any objections not timely made are deemed waived. The Optionor shall, within (10) days of receipt of the Optionee's objections notify the Optionee in writing of the objections which the Optionor intends to cure. Failure of the Optionor to respond to all or any of the



Optionee's objections within the ten (10) day period shall be deemed a refusal to cure those objections. The Optionee shall then either choose to close without a reduction to the Purchase Price, waiving any of the uncured objections, or to terminate this Agreement. All objections that the Optionor consents to cure shall be cured as a condition precedent to Closing.

8. Contingencies. The exercise of the Option by Optionee shall be and is contingent upon the satisfaction of all of the following contingencies prior to expiration of the Option Term or such sooner date set forth herein:

8.1 Optionee shall have obtained binding commitments for financing development and operation of the Project in amounts and upon terms satisfactory to the Optionee in the Optionee's sole discretion, including without limitation an allocation of low-income housing tax credits from New Mexico Mortgage Finance Authority ("NMMFA"), the binding obligation of a tax credit limited partner to provide tax credit equity, and binding commitments for construction and permanent financing.

8.2 Optionee shall have received a determination by the City of Albuquerque, New Mexico, and/or such other public agency as may be required to proceed with the Project based on the results of an environmental review of the Property, including without limitation any environmental review required in the event federal funds are used to finance the Project.

8.3 Optionee shall have received "Authority to Use Grant Funds" from NMMFA.

Optionee shall use its commercially reasonable and good faith efforts to satisfy the above contingencies by the expiration of the Option Term.

9. Optionee's Conditions Precedent. The following are conditions precedent to the Optionee's obligation to close the purchase of the Property (which conditions, unless otherwise stated herein, the Optionee may waive only in writing):

9.1 The Optionor shall have performed and complied with all of the obligations and conditions required by this Agreement to be performed or complied with prior to or at the Closing or waived in writing by the Optionee and all of Optionor's representations and warranties hereunder shall be true, accurate and complete.

9.2 No portion of the Property shall have been taken, condemned or damaged, and the Reserves shall not have been diminished unless and except as necessary to preserve the value of the Property.

9.3 The Optionee shall have investigated the Property as specified in Section 4 above. If the Optionee fails to notify the Optionor of any objection pursuant to such inspections prior to the end of the Feasibility Period as set forth in Section 4 above, this condition precedent shall be deemed to have been waived.

9.4 The Optionee's objections to the title insurance commitment shall have either been waived by the Optionee or satisfied by the Optionor, as specified in Section 5

above.

9.5 The Optionee's objections to the Survey and any matters shown thereon shall have either been waived by the Optionee or satisfied by the Optionor, as specified in Section 6 above.

9.6 The Optionee's objections to the Phase I and any matters shown therein shall have either been waived by the Optionee or satisfied by the Optionor, as specified in Section 7 above.

9.7 The Optionee shall have obtained satisfactory financing for the purchase of the Property as specified in Section 8 above.

10. Optionor's Conditions Precedent. The Optionee shall have performed and complied with all of the obligations and conditions required by this Agreement to be performed or complied with at or prior to the Closing or waived in writing by the Optionor.

11. Optionor's Obligations at Closing. At least one business day immediately prior to Closing, Optionor shall deliver to Title Company, as escrow agent, each of the following items:

(a) A duly executed special warranty deed (the "Deed") in recordable form, conveying the Real Property, subject to the Permitted Exceptions;

(b) an affidavit duly executed by Optionor stating that Optionor is not a "foreign person" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act;

(c) an assignment of the Work Product in a form mutually agreed upon between Optionee and Optionor; and

(d) such additional documents as shall be reasonably requested by the Title Company or required to consummate the transaction contemplated by this Agreement; provided, however, that in no event shall Optionor be required to indemnify the Title Company, Optionee, or any other party pursuant to any such documents, or undertake any other material liability not expressly contemplated in this Agreement, unless Optionor elects to do so in its sole discretion.

12. Optionee's Obligations at Closing. At Closing, the Optionee shall deliver to the Title Company, as escrow agent, each of the following items:

(a) cash in the amount of the Purchase Price, minus the Earnest Money and the Option Price, plus the amount of any prorations and closing costs payable by Optionee at Closing pursuant to Section 15 below which have not been previously paid or applied;

(b) an affidavit duly executed by the Optionee stating that the Optionee is not a foreign person as defined in the Federal Foreign Investment in Real Property Tax Act of

1980 and the 1984 Tax Reform Act; and

(c) such additional documents as shall be reasonably requested by the Title Company or required to consummate the transaction contemplated by this Agreement; provided, however, that in no event shall Optionee be required to indemnify the Title Company, Optionor, or any other party pursuant to any such documents, or undertake any other material liability not expressly contemplated in this Agreement, unless Optionee elects to do so in its sole discretion.

13. Environmental Matters. Except as set forth in any environmental assessment reports in Optionor's possession and disclosed to Optionee or as otherwise disclosed to Optionee in writing, Optionor has received no written notice from any governmental authority asserting, nor is Optionor aware of, any violation of Environmental Laws related to the Property and has no knowledge of the presence (except for the presence of Hazardous Materials used by Optionor or its agents, contractors or tenants in amounts necessary and appropriate for Optionor's use of the Property in the ordinary course of business and in compliance with Environmental Laws) or release (except for releases involving de minimis quantities of Hazardous Materials or releases authorized by and in compliance with Environmental Laws) of Hazardous Materials on or from the Property. The term "**Environmental Laws**" includes without limitation the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation, and Liability Act and other federal laws governing the environment as in effect on the date of this Agreement together with their implementing regulations as of the date of this Agreement applicable to the Property, and all applicable state, regional, county, municipal and other local laws, regulations and ordinances that are equivalent or similar to the federal laws recited above or that purport to regulate Hazardous Materials. The term "Hazardous Materials" includes petroleum (including crude oil or any fraction thereof) and any substance, material, waste, pollutant or contaminant, or similar term which is regulated by local authorities, the State of New Mexico and/or the federal government to protect the environment, including, but not limited to, any material, substance, waste or similar term which is listed or defined as hazardous or toxic under any Environmental Law, in any case at levels or concentrations in the environment requiring remediation or removal in accordance with Environmental Laws.

14. Optionor's Representations. In addition to the representations and warranties of Optionor set forth in Section 13 of this Agreement, the Optionor represents and warrants that, (a) all information delivered to the Optionee by the Optionor pursuant to this Agreement is accurate and complete in all material respects, unless otherwise indicated to the Optionee in writing by the Optionor, and (b) to the best of Optionor's knowledge, the Optionor has not omitted to deliver or disclose material information known to the Optionor concerning the Property. Notwithstanding the foregoing, Optionor makes no representation or warranty regarding any existing surveys or environmental reports relating to the Property in Optionor's possession.

15. Prorations and Closing Costs. Real estate taxes, assessments and other similar items shall be prorated between the Optionee and the Optionor as of the date of



Closing. Each party shall pay its own attorney's fees in connection with the negotiation and drafting of this Agreement and the Closing of this sale. Each party shall pay one-half (1/2) of the escrow fees charged by the Title Company. Each party shall pay its own recording fees. The Optionee shall pay one-half (1/2) of the document preparation fees and one-half (1/2) of the Title Company's closing fees. Any and all other customary closing costs involved in this transaction shall be paid as is customary in Albuquerque, New Mexico.

16. AS-IS Acquisition: Optionee's Disclaimer.

EXCEPT FOR OPTIONOR'S EXPRESS REPRESENTATIONS, WARRANTIES, AND COVENANTS MADE IN THIS AGREEMENT, AND IN THE WARRANTIES OF TITLE CONTAINED IN THE SPECIAL WARRANTY DEEDS AND ANY RIGHTS, WARRANTIES, AND/OR COVENANTS ASSIGNED TO OPTIONEE AT CLOSING BY OPTIONOR (THE "EXPRESS REPRESENTATIONS"), AT CLOSING OPTIONEE SHALL ACCEPT THE PROPERTY BEING CLOSED IN ITS "AS IS" "WHERE IS" CONDITION AND "WITH ALL FAULTS". OPTIONEE AGREES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS, NEITHER OPTIONOR NOR ANY OF OPTIONOR'S REPRESENTATIVES AND AGENTS (COLLECTIVELY THE "OPTIONOR RELATED PARTIES") HAVE MADE OR GIVEN ANY WARRANTIES, GUARANTEES, OR REPRESENTATIONS OF ANY KIND WHATSOEVER, REGARDING ANY MATTER RELATING TO THIS AGREEMENT OR THE PROPERTY, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED.

OPTIONEE SPECIFICALLY AGREES AND ACKNOWLEDGES THAT EXCEPT FOR THE EXPRESS REPRESENTATIONS, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY, SUITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE AND THAT EXCEPT FOR THE EXPRESS REPRESENTATIONS, (I) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, WRITTEN OR ORAL, REGARDING THE PRESENT OR FUTURE VALUE, PROFITABILITY, PERFORMANCE OR PRODUCTIVITY OF THE PROPERTY, OR (II) REGARDING THE QUALITY, NATURE, ADEQUACY OR CONDITION OF THE PROPERTY FOR OPTIONEE'S INTENDED USE OR ANY OTHER USE, OR (III) REGARDING ANY OTHER MATTER OR THING WHATSOEVER WITH RESPECT TO THE PROPERTY OR THIS AGREEMENT. OPTIONEE ACKNOWLEDGES THAT IT HAS HAD OR WILL HAVE, PURSUANT TO THIS AGREEMENT, AN ADEQUATE OPPORTUNITY TO MAKE SUCH LEGAL, FACTUAL, AND OTHER INQUIRES AND INVESTIGATIONS AS IT DEEMS NECESSARY, DESIRABLE, OR APPROPRIATE WITH RESPECT TO THE PROPERTY.

WITHOUT LIMITING THE FORGOING, OPTIONEE HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT WITH RESPECT TO (A) ANY MATTERS COVERED BY THE EXPRESS REPRESENTATIONS, AND (B) ANY FRAUD, MISREPRESENTATION OR BAD FAITH BY OPTIONOR AND/OR ITS EMPLOYEES, OPTIONEE WAIVES, RELEASES AND DISCHARGES ANY CLAIM IT HAS, MIGHT HAVE HAD, OR MAY HAVE AGAINST OPTIONOR OR ANY OPTIONOR RELATED PARTY WITH RESPECT TO THE CONDITION OF THE PROPERTY, EITHER PATENT OR LATENT, OR THE ABILITY TO USE THE PROPERTY FOR ANY PARTICULAR PURPOSE. NOTWITHSTANDING THE FOREGOING, EFFECTIVE AS



OF EACH CLOSING, OPTIONOR ASSIGNS TO OPTIONEE, FOR THE BENEFIT OF OPTIONEE AND OPTIONEE'S SUCCESSORS AND ASSIGNS, ALL OF OPTIONOR'S INTEREST (IF ANY) TO ALL WARRANTIES, CAUSES OF ACTION, AND CLAIMS OF ANY KIND RELATING TO OPTIONOR'S CONTRACTORS, SUBCONTRACTORS, ENGINEERS, CONSULTANTS, AND DESIGN PROFESSIONALS, AND ANY OTHER PERSON OR ENTITY INVOLVED IN THE CONSTRUCTION OF IMPROVEMENTS UPON OR THE DEVELOPMENT OF THE PROPERTY. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE SETTLEMENT FOREVER AND SHALL NOT MERGE WITH THE DEED.

OPTIONOR AND OPTIONEE ACKNOWLEDGE THAT IN THE NEGOTIATION FOR THIS AGREEMENT, THEY WERE EACH REPRESENTED BY COUNSEL AND THEY HAVE RELATIVELY EQUAL BARGAINING POWER, AND THE LIMITATIONS ON REPRESENTATIONS OR WARRANTIES AND THE WAIVER AND RELEASE PROVIDED BY OPTIONEE HEREIN ARE A RESULT OF SPECIFIC NEGOTIATIONS BETWEEN THE PARTIES AND ARE AN IMPORTANT BASIS TO THE CONSIDERATION AGREED UPON HEREIN. OPTIONEE IS GRANTING THE WAIVER AND RELEASE PROVIDED HEREIN AFTER CONSULTATION WITH OPTIONEE'S COUNSEL.

The preceding AS-IS statement and disclaimer and waiver shall survive the Closing or termination of this Agreement, as applicable.

17. Default: Remedies.

17.1 Optionor's Defaults; Optionee's Remedies. In the event that Optionor defaults on its obligations under this Agreement or breaches any of Optionor's representations or warranties hereunder, Optionee may either (i) terminate this Agreement by written notice to the Optionor and the Title Company, in which event the entire Earnest Money shall be immediately refunded to the Optionee; or (ii) enforce specific performance, which suit for specific performance must be filed and served within ninety (90) days of Optionor's default or breach.

17.2 Optionee's Default: Optionor's Remedies. In the event Optionee defaults on its obligations under this Agreement or materially breaches any of Optionee's representations or warranties hereunder, Optionor may, as Optionor's exclusive remedy for such default or breach terminate this Agreement by written notice delivered to Optionee, whereupon Optionor shall be entitled to immediately receive and retain the Earnest Money (and all interest earned thereon) and any Option extension deposit(s), it being agreed between Optionee and Optionor that the Earnest Money and any Option extension deposit(s) shall be liquidated damages (and not a penalty) for such default of Optionee hereunder because of the difficulty, inconvenience and uncertainty of ascertaining actual damages for such default.

18. Mediation. If any dispute arising out of the construction of the provisions of this Agreement or relating to the reasonableness of the conduct of the parties cannot be settled by direct discussions, the parties agree to endeavor first to settle any such dispute in an amicable manner by mediation. The cost of the mediation shall be shared equally by the parties to the mediation. Each party shall bear its own attorney's fees incurred in such

mediation.

Notices. Any notice, demand, request, approval, or other communication (a "notice") which, under the terms of this Agreement or under any statute, must or may be given by the parties, must be in writing and shall be hand-delivered, transmitted by facsimile or email, or sent by overnight courier or by United States Mail, certified, return receipt requested and postage prepaid, addressed to the respective parties at the following addresses:

If to the Optionee:  
Sage Won Investment Corporation  
6339 Paseo del Lago  
Carlsbad, California 92011  
Attn: Tim Baker  
Phone: 760-456-6000  
Fax: 760-456-6001  
Email: [tbaker@chelseainvestco.com](mailto:tbaker@chelseainvestco.com)

With copy to:  
Teel, Roeper & Haines, LLP  
1335 Camino Del Mar  
Del Mar, CA 92014  
Attn: Dean E. Roeper, Esq.  
Phone: (858) 794-2900  
Email: [dean@teelroeper.com](mailto:dean@teelroeper.com)

If to the Optionor:  
AVS, LLC, a New Mexico limited liability company  
Address: 2015 Wyoming Blvd., NE, Suite G Attn: Helen A. Grevey  
Albuquerque, New Mexico 87112  
Fax: (505) 292-1290  
Phone: (505) 239-6055  
Email: [helen.grevey@gmail.com](mailto:helen.grevey@gmail.com)

J & J Grevey Family LLC, a New Mexico limited liability company  
Address: 915 Camino Ranchitos NW, Albuquerque, New Mexico 87114  
Attention: Eileen Grevey Hillson  
Phone: (505) 238-0461  
Email: [ehillson49@comcast.net](mailto:ehillson49@comcast.net)

With copy to: Spann, Hollowwa & Artley  
Address: P.O. Box 1307, Albuquerque, New Mexico 87103  
Contact: J. Kerwin Hollowwa, Esq. / Sean K. Hollowwa, Esq.  
Phone: (505) 243-3525  
Email: [jkhollowwa@shha.net](mailto:jkhollowwa@shha.net) / [shollowwa@shha.net](mailto:shollowwa@shha.net)

Notices, demands, requests and exercises served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement (i) upon actual



receipt, if hand delivered or sent by facsimile or email, (ii) the next day if sent by U.S. Express Mail or overnight courier service, or (iii) five (5) days after postmark if sent by U.S. Mail.

19. Time. Time is of the essence of this Agreement.

20. Severability. All of the provisions of this Agreement are hereby declared to be severable and a finding by any court of competent jurisdiction that any provision of this Agreement is void, unlawful or unenforceable shall not affect the validity or enforceability of any other provision of this Agreement.

21. Cooperation. The Optionee and the Optionor covenant and agree that they will execute and deliver, whether on or after Closing, all documents which may be reasonably required to carry out the terms of this Agreement and transaction anticipated hereby.

22. Attorney's Fees. In the event of any arbitration, action, suit or proceeding arising from or based on this Agreement brought by either party against the other party to this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable attorney's fees, any gross receipts tax thereon, and legal expenses and costs incurred in connection therewith.

23. Counterparts. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

24. Assignment. The Optionee shall be entitled to assign its rights and obligations under this Agreement to an affiliated entity or a limited partnership whose general partner is an affiliated entity or any other applicant, organization or sponsor as deemed fit by Optionee without the consent of the Optionor.

25. Modification. This Agreement may not be amended or modified except by an agreement in writing executed by each of the parties hereto.

26. Governing Law. This Agreement and the various instruments executed and delivered pursuant hereto shall be governed by the laws of the State of New Mexico.

27. Headings. The heading of the sections and subsections hereof are for purposes of convenience only and shall in no way affect the construction of any of the terms, covenants or conditions hereof.

28. Final Agreement. This Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreement of the parties. There is no unwritten agreement between the parties. This Agreement shall supersede any provision in any proposal which was made prior to the date hereof.

29. Facsimile Documents. Facsimile or scanned documents which are transmitted by telecommunications and reproduced by electronic means ("Faxed" or emailed), with electronically reproduced signatures, shall be legally effective and binding until such time as replaced by documents containing original signatures, which shall be provided within a

**IN WITNESS WHEREOF**, Optionor and Optionee have executed this Option Agreement as of the date first above written.

**OPTIONOR**

AVS, LLC, a New Mexico limited liability company

By: *Helen A. Grevey*  
Helen A. Grevey Authorized Member

Helen A. Grevey, Co-Trustee of the Marianne Grevey Fischer Revocable Trust u/t/a July 27, 2007

By: *Helen A. Grevey*  
Helen A. Grevey, Co-Trustee,

Helen A. Grevey, as Trustee under that certain Helen A. Grevey 2011 Trust, u/t/a dated December 14, 2011.

By: *Helen A. Grevey*  
Helen A. Grevey, Trustee

J & J Grevey Family, LLC, a New Mexico limited liability company

By: *Eileen Grevey Hillson*  
Eileen Grevey Hillson, Manager

Date Signed: 04/17/23

**OPTIONEE:**

Sage Won Investment Corporation

By: *Cheri Hoffman*

Cheri Hoffman, Authorized Agent

Date signed: 04/14/2023



**Exhibit A**  
**Legal Description of Real Property**

Northerly portion of Tract 162A, Tract 163, 164, & 165 (excluding 2,542 sq. ft ROW on Tract 163 Town of Atrisco Grant Airport Unit) containing approximately 12.42 +/- acres outlined on the attached Ariel diagram together with all of the improvements thereon and appurtenances thereunto belonging to (the "Property").

(to be confirmed with Title Company and Buyer's Survey)

