



SHAH MANAGEMENT

73585 Fred Waring Dr.
Suite 202
Palm Desert, CA 92260
Tel: 346-0780
shahmanagement4@aol.com

Rudy Acosta
Director of Economic Development
City of Desert Hot Springs
65950 Pierson Blvd.
Desert Hot Springs, CA 92240

Re: Village at Mission Lakes

Dear Mr. Acosta,

Thank you very much for arranging the meeting on Thursday to discussing the parameters for the reactivation of permits for the Village at Mission Lakes project. As we discussed, I have acquired the project and am prepared to reactivate permits and immediately initiate and complete construction of the two existing buildings and all on and offsite improvements within 120 to 180 days.

As you are well aware, this is a very challenging environment to contemplate initiation of a commercial project. Although I am optimistic that once construction begins tenant interest will materialize, I have no current tenant commitments and availability of funding at this time is quite scarce. I therefore am requesting that the City grant special consideration regarding the timing of the outstanding impact fees. While I agree to pay the entire \$259,512.39 in impact fees due for the first two buildings, I am requesting that payment be spread over a three year period with the first one-third installment due one year from issuance of the certificate of occupancy on the first building. To guarantee payment, I will submit a letter of credit prior to the issuance of the first C of O for the full amount suitable to your city attorney which the city can draw upon each anniversary.

In regards to permit reactivation, I agree to pay all fees associated with city costs of plan checking and inspection when they are normally due. I respectfully request that any permit fees not directly associated with city processing and inspection costs (i.e. taxes) that were already paid under the original permit not be required to be repaid.

Thank you again for your consideration of these requests. Although these are challenging times for all of us, I believe that with a spirit of partnership and cooperation we can transform what is now a terrible eyesore into an attractive and profitable asset to the community.

Sincerely,


Suresh Shah