

TO: Joseph Tanner
Director of Administration
jtanner@cityofdhs.org

DATE: February 23, 2017

RE: PROPOSED PURCHASE OF SUCCESSOR AGENCY PARCEL 8, DESERT HOT SPRINGS, CA.

Dear Mr. Tanner:

We wish to pursue the following building acquisition:

PROPERTY: Parcel 8: 66550 Pierson Blvd, Desert Hot Springs, CA
ASSESSOR'S PARCELS: Riverside County APN: 639-293-023, 026, 025, 024,028, 027.

USE: Commercial Development

SELLER: Desert Hot Springs Successor Agency

BUYER: Scott Parker or related assignee ("Buyer").

PURCHASE PRICE: \$ 1,400,000 , all cash.

DEPOSIT: \$25,000.00 to be deposited into escrow upon the full execution of a Purchase and Sale Agreement (the "Contract") and receipt of all due diligence materials. At close of escrow, the deposit (a) will be non-refundable, (b) will be retainable by Seller as liquidated damages in the event of a default by Buyer, and (c) will be applied to the Purchase Price (with accrued interest) due at closing.

TERMS: All cash at closing as defined above.

CLOSING: Closing will occur no more than forty-five (45) days from the opening of Escrow.

ADDITIONAL BUYER OBLIGATIONS: Buyer will be responsible for one-half of the escrow fees and its share of closing costs in accordance with local custom, including any prorations at closing.

ADDITIONAL SELLER OBLIGATIONS: Seller shall fully cooperate with Buyer, including providing requested information in a timely manner. Seller will provide clear title, free and clear of any leases, or easements or encumbrances, prior to closing, including a CTLA policy acceptable to Buyer (from Orange Coast Title). Seller will be responsible for one-half of the escrow fees and its share of closing costs in accordance with local custom, including any prorations at closing and all transfer, documentary and recording taxes, fees and/or charges imposed by governmental entities with respect to conveyance of the Property.

DUE DILIGENCE PERIOD Buyer shall have thirty (30) days to satisfy itself regarding the nature of this transaction. Within this due diligence period,

ESCROW HOLDER: Buyer may cancel escrow at any time for any reason, or for no reason, at its sole discretion.
Orange Coast Title

DELIVERY OF DOCUMENTS: Immediately following full execution of this Non-Binding Letter of Intent, but in no event later than full execution of the Contract, Seller shall deliver to Buyer the originals or true copies of the following:

- (1) A copy of any Phase 1 and/or Phase 2 environmental study in the possession of the Seller.
- (2) Copies of all leases and all easements, contracts, agreements, and recorded documents affecting the Property in the possession of the Seller.
- (3) Any and all documentation in connection with the environmental condition of the Property, all recorded documents and agreements affecting the Property, and existing title policy on the property which is owned by or in the possession of Seller or its Authorized Representatives.
- (4) Copies of any and all surveys, plans, and specifications, construction documents, engineering, environmental reports and similar documents in the possession of Seller or its Authorized Representatives or agents within 48 hours of signing this Agreement.

REPRESENTATIONS: Seller represents and warrants to Buyer that no person or entity has a contract or option to purchase, Letter of Intent, Right of First Refusal or First Offer, or similar rights with respect to the Property which is now outstanding, nor shall Seller accept any back-up offers during the course of this escrow.

ENVIRONMENTAL: Seller will provide standard environmental representations (including Phase I and Phase II reports) including that it has provided full and accurate copies of all correspondence and environmental information which is in its possession and/or of which it or any of its Authorized Representatives or agents are aware. Seller shall be responsible for the cost of any remediation required pursuant to a Phase II environmental report.

CONFIDENTIALITY: All information furnished to Buyer relating to the property (other than matters of public record), including, without limitation, any and all information provided by Seller pursuant to Contract, will be treated by Buyer as confidential, will not be disclosed by Buyer to anyone (except Buyer's consultants and employees involved in review of the Property).

Brokerage Buyer warrants that it has no outside broker or consultant engaged on its behalf and due a commission resulting from the consummation of this contemplated transaction. NAI Capital exclusively represents the Desert Hot Springs Successor Agency.

We look forward to your favorable response and to closing this acquisition.

Sincerely,

AGREED AND ACCEPTED BY:

SELLER: Scott J. Parker, ASD Properties, LLC