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August 24, 2017

To: Lynn Coker
NAI Capital
(760)834-3623

From: Margie Taft
Taft and Associates
taftoffice@gmail.com
760.408.3159

Re: Parcel #15, Palm Drive, Desert Hot Springs, CA APN: 641-113-004

This letter shall serve as a non binding Letter of Intent which sets forth the basic terms and conditions under which Nick Krespis ("Buyer") would consider entering into a Purchase agreement with ("Seller") on the above referenced location.

1. Buyer: Nick Krespis
2. Seller: RDA Successor Agency. City of Desert Hot Springs
3. Type of Transaction: Purchase
4. Land Size: Approximately .16 Acres, Approximately 7000 SF
5. Use : Use shall be for a Restaurant (Andy's Burgers, Indio)
Buyer is in negotiation to combine adjacent lots.
6. Price: \$25,000.

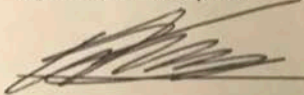
7. Escrow: 30 day, all cash, Chicago Escrow/Title(Joe Knight)

Only a mutually executed Purchase Agreement between Buyer and Seller shall legally bind the parties.

After your review of this letter, and if it is in satisfactory form, please have the appropriate authorized signatory sign and date below where provided and return one original copy to my attention as soon as possible.

Agreed and Accepted:

Agreed and Accepted:



By: Nick M. Krespiak

By: _____

Date: 8/25/2017

Date: _____

KRESPIS & ASSOCIATES

August 30, 2017

Mayor Matas and City Council Members
City of Desert Hot Springs
65950 Pierson Boulevard
Desert Hot Springs, CA 92240

Dear Mayor Matas and City Council Members

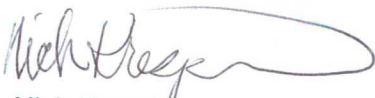
On behalf of our development team, I sincerely appreciate your consideration of my request to purchase the subject lot through NAI Capital brokers. As you likely realize, the lot in question is the second one north of Desert View Avenue along the east side of Palm Drive. As explained within the letter to you from my real estate broker Margie Taft, during the past several years we have given serious consideration to a number of project schemes for possible development of the general vicinity, inclusive of this RDA successor agency lot. In order for our efforts to have the greatest beneficial impact on this area and the city in general, we consider this project area inclusive of most, if not all of the entire block between Desert View north to Cahuilla. I have been involved in a number of similar upscale commercial/restaurant developments elsewhere in the southern California region, and I can picture a distinctive, architecturally visually attractive commercial/restaurant/professional office combination of enterprises along the east side of this one-block area. As Margie has pointed out, I currently own and operate one restaurant in Indio, and another one outside of the Coachella Valley. Having been in the development field for a number of years, I feel that I am "in-tune" with how successful well designed commercial project designs function. Although I must admit that this project site and the city have their own set of unique challenges, nonetheless I sincerely feel that we can bring to town a number of beneficial business enterprises that will help fill some of the business gaps for the city. For one, if we were to bring in a business like "Panera Bread", this would act as a magnet to draw-in other better types of enterprises to benefit the Desert Hot Springs community.

As you may already be aware, I am currently securing ownership of several lots within this project area, and I see that this lot is particular noteworthy since it commands an area central to making this assemblage of lots possible for a successful master plan of development. While we are securing the remaining lots extending northward to Cahuilla, ideally we would like to start "Phase One" development plans.

As for availability of funds, I have at my disposal the faith and trust of several long-term investors that finance substantial aspects of our projects, thereby eliminating the need to seek traditional bank conventional financing.

We are looking forward with positive feelings for working with the city and making significant commercial improvements in any ways practical.

Most sincerely,



Nick Krespis

cc: Partners, Krespis & Associates
Margie Taft, R.E. Broker