

Summitrose Investments, LP

9034 W. Sunset Blvd., West Hollywood, CA 90069
Telephone (310) 247-0900 * Fax (310) 247-1525

June 19, 2018

**RE: LETTER OF INTENT TO GROUND LEASE
26126 VICTORIA BLVD, APPROX. 240,016 SQUARE FEET
CITY OF DANA POINT, CA**

Dear Sirs:

This letter of intent to purchase confirms the intent of ***Summitrose Investments, LP*** or its nominee ("Lessee") to ground lease the parcel consisting of approximately 5.51 gross acreage. The aforementioned parcel identified as **26126 Victoria blvd, City of Dana Point, California** (the "Property").

Lessee is prepared to enter into an agreement to lease the Property from The Capistrano Unified School District ("Lessor") upon the following terms and conditions:

1. GROUND LEASE RENT:

The Ground Lease Payments are as follows

A. Rent commencement shall be after a 90 day due diligence period. Lessee to pay lessor \$5,000 a month for the initial three (3) years while Lessee completes the entitlements and construction of Lessee's development

B. Three (3) years or upon the issuance of a certificate of Occupancy the Ground Lease Rent shall increase to \$30,000 per month for the next 10 years

C. The monthly rent shall be subject to increase beginning on the first month of the eleventh year and every five years thereafter by \$14,400 per year

2. LEASE TERM: 99 YEARS.

3. EARNEST MONEY: Enclosed is Lessee's Initial required deposit of \$35,000 in the form of a Cashier's Check.

4. LEASE PROVISIONS:

Lessee accepts financing ability with limitations outlined in RFP documentation. Lessee's lender shall require all default notices be send to their office concurrently with all notices to Lessee. Lessor shall provide SNDA to Lessee's lender.

5. LEASECONTINGENCIES:

Buyer shall have Ninety (90) days from the Effective Date to review the items above, perform tests, inspect the title report, interview and meet with city and county officials, and ascertain the physical condition of the Property ("Investigation Period"). Unless Buyer gives Seller written approval or waiver of said Inspection & Title Contingency items prior to expiration of the Investigation Period, the parties to the Agreement shall have no further obligation to one another. Lessor shall retain the initial deposit

6. INSPECTION & TITLE CONTINGENCY

Promptly upon mutual execution of this letter of intent, Lessor shall cause to be delivered to Lessee (or available to Lessee) the following items for Lessee's approval:

- 1) Preliminary title report for the Property from First American Title together with copies of all exceptions to title set forth therein;
- 2) Any soils reports, geologic studies, surveys, topographic maps, engineering data and similar reports and data owned by or in the possession of Lessor or Lessor's agent Lessee shall conduct several soils boring for soil infiltration and for building requirements.
- 3) If applicable, all plans & specifications, construction drawings, utility studies, grading plans, work product, renderings, market studies, marketing material, project budget info, bids related to development of the site, etc.
- 4) All environmental reports and studies, appraisal reports, inspection reports, and all other reports of any type in the possession of Lessor or its agents as well as bids or contracts for work proposed or performed on the Property within the past three (3) years. Lessee will perform phase 2 testing for petro chemicals
- 5) If applicable, any applications or submittals to the City of Dana Point and/or Orange County and related correspondence.
- 6) Any local, regional, state, or federal government agency notices or correspondence related to the Property and its prospective uses.
- 7) Lessor shall permit Lessee or Lessee's agents access to the Property for inspections of the physical condition of same. Lessee shall hold Lessor harmless against any claims resulting from acts of Lessee or Lessee's agents on or about the Property. Lessee shall fill all boring holes and shall coordinate locations of borings with Lessor and cooperate with Lessor as outlined in Lessor's RFP

8) Current property tax bill and information regarding any landscape maintenance district, owners' association, Mello Roos or Community Facilities districts, or other fees or assessments districts, as well as the current balance and payment schedule of any assessment district indebtedness.

7. GROUND LEASE:

Within ten (10) business days following mutual execution of this letter, Lessor shall deliver to Lessee a draft of the Ground Lease Agreement embodying the terms herein set forth.

8. ESCROW CLOSING:

Closing shall take place within thirty (30) days following Buyer's waiver or satisfaction of the Purchase Contingencies. Seller will deliver the site in a fully vacant condition at Closing.

9. COOPERATION:

Seller will cooperate with Buyer in executing any applications or submittals that may be required with the appropriate governmental agencies for all entitlements and for a parcel map.

10. COMMISSIONS:

Lessee has not engaged any Real Estate Broker. Lessor shall pay Surplus Property Advisory Committee any and all fees for their services.

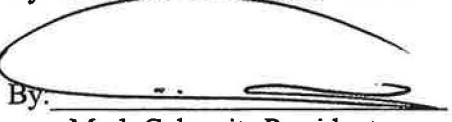
10. TITLE INSURANCE:

Lessor's choice

AGREED AND ACCEPTED:

LESSEE:

Summitrose Investments, LP
By: WVJ, Inc. its General Partner

By: 
Mark Gabay its President

Date: June 19, 2018

LESSOR:

By: _____

Date: _____

RECEIVED

JUN 19 2018

CUSD

12:00 PM
T.P.D.

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Mark Gabay its President

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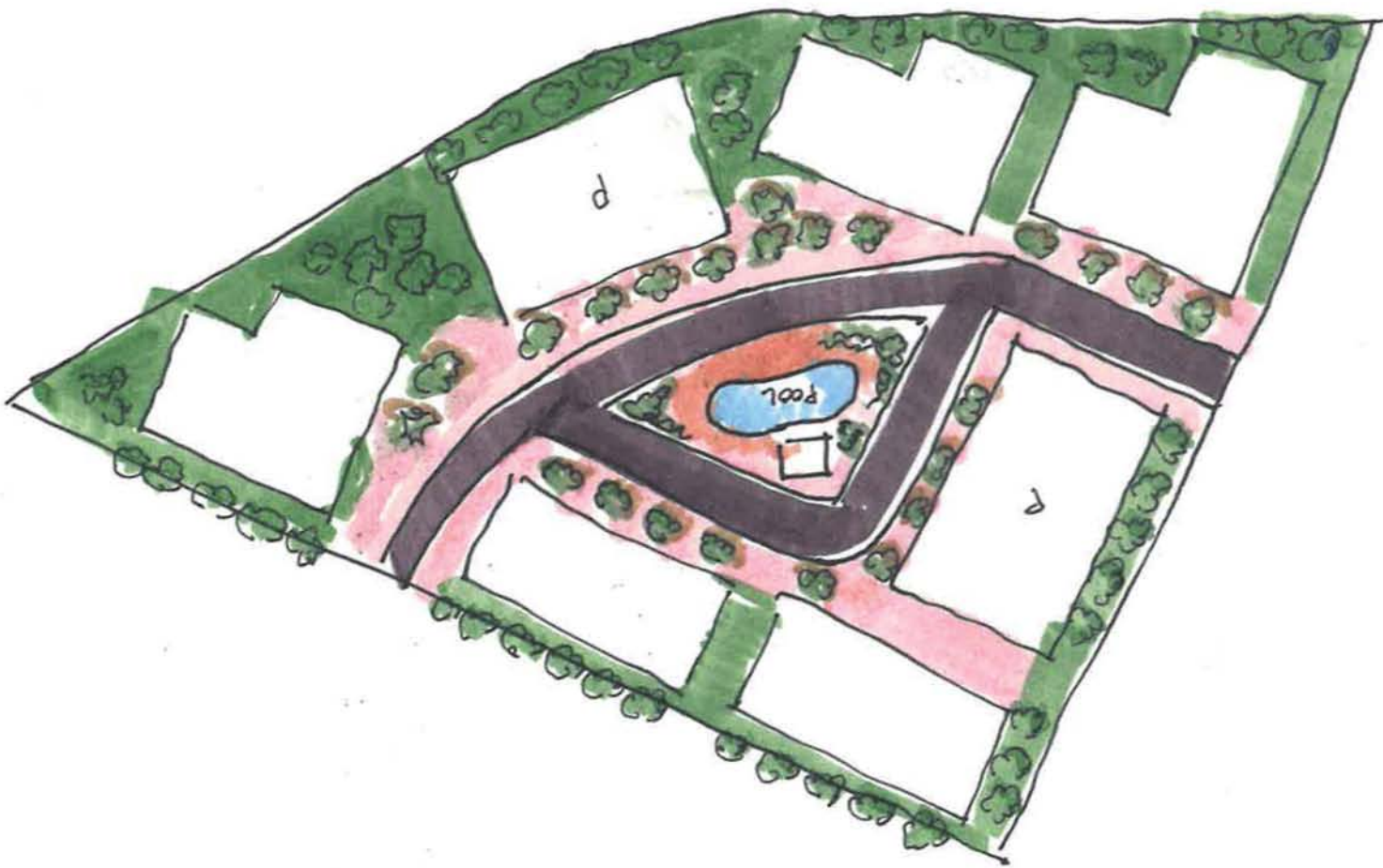
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By: WVJ, Inc. its General Partner

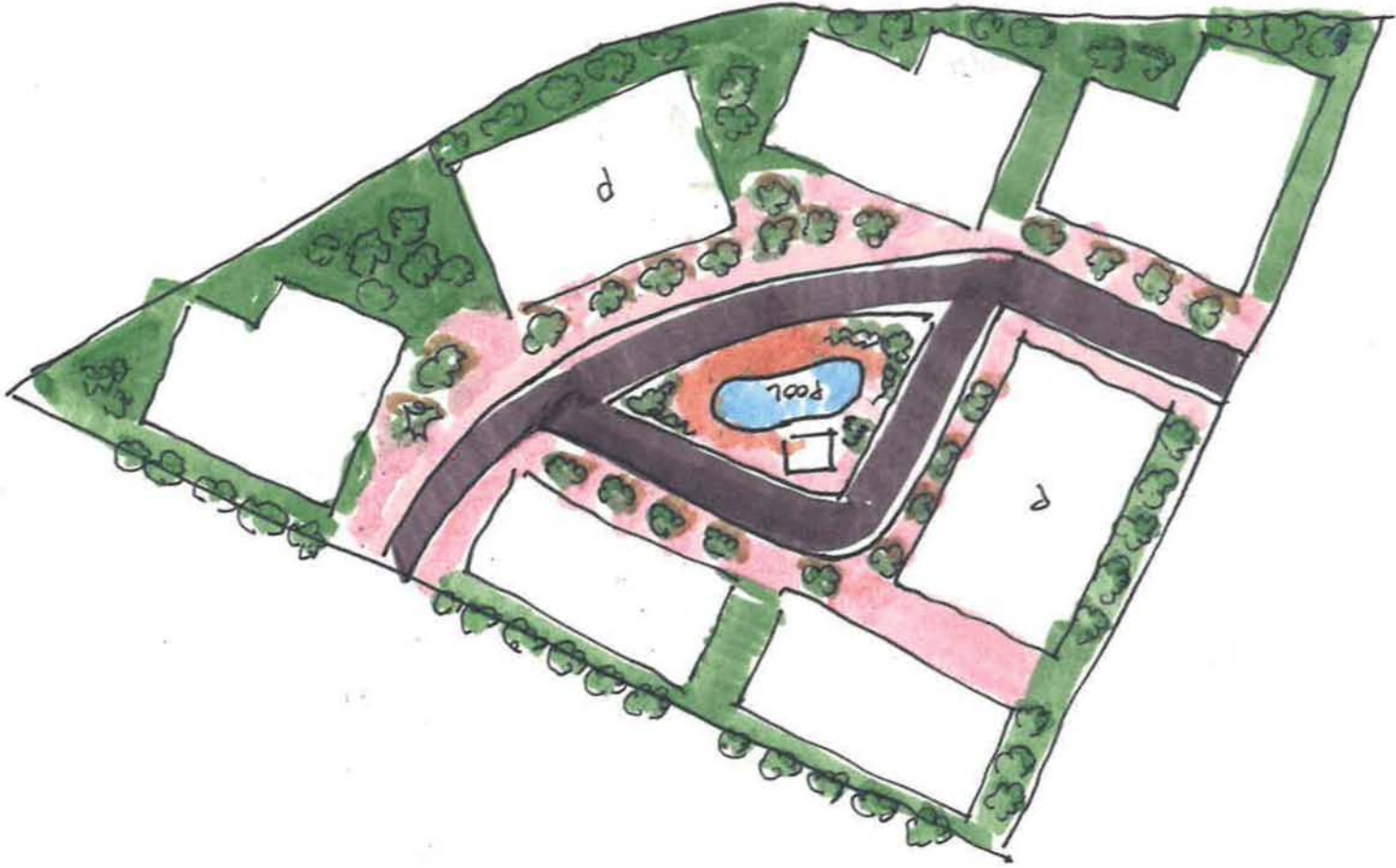
By: _____
Mark Gabay its President

By: _____

Date: _____

Date: _____





This provided after deadline.

STATEMENT OF QUALIFICATIONS

FINISHED PROJECTS



5200 RAMON RD., PALM SPRINGS, CA

SPRINGS PROJECT INCLUDED THE PURCHASE, REMEDIATION STRATEGY, CONSTRUCTION AND CLOSURE APPROVAL OF FORMER UNCONTROLLED MUNICIPAL LANDFILL. PROJECT INCLUDED THE EXCAVATION AND COMPACTION OF OVER 1,000,000 CUBIC YARDS OF LANDFILL MATERIAL ON A 37 ACRE SITE. ENTIRE CLEAN-UP PERFORMED WITH PRIVATE FINANCIAL RESOURCES. THE 412,000 SF SITE IS ANCHORED BY HOME DEPOT. A VARIETY OF ANCILLARY RESTAURANT AND RETAIL STORES WILL ALSO OCCUPY THIS SITE.



5200 RAMON RD., PALM SPRINGS, CA

HOME DEPOT ANCHOR TENANT



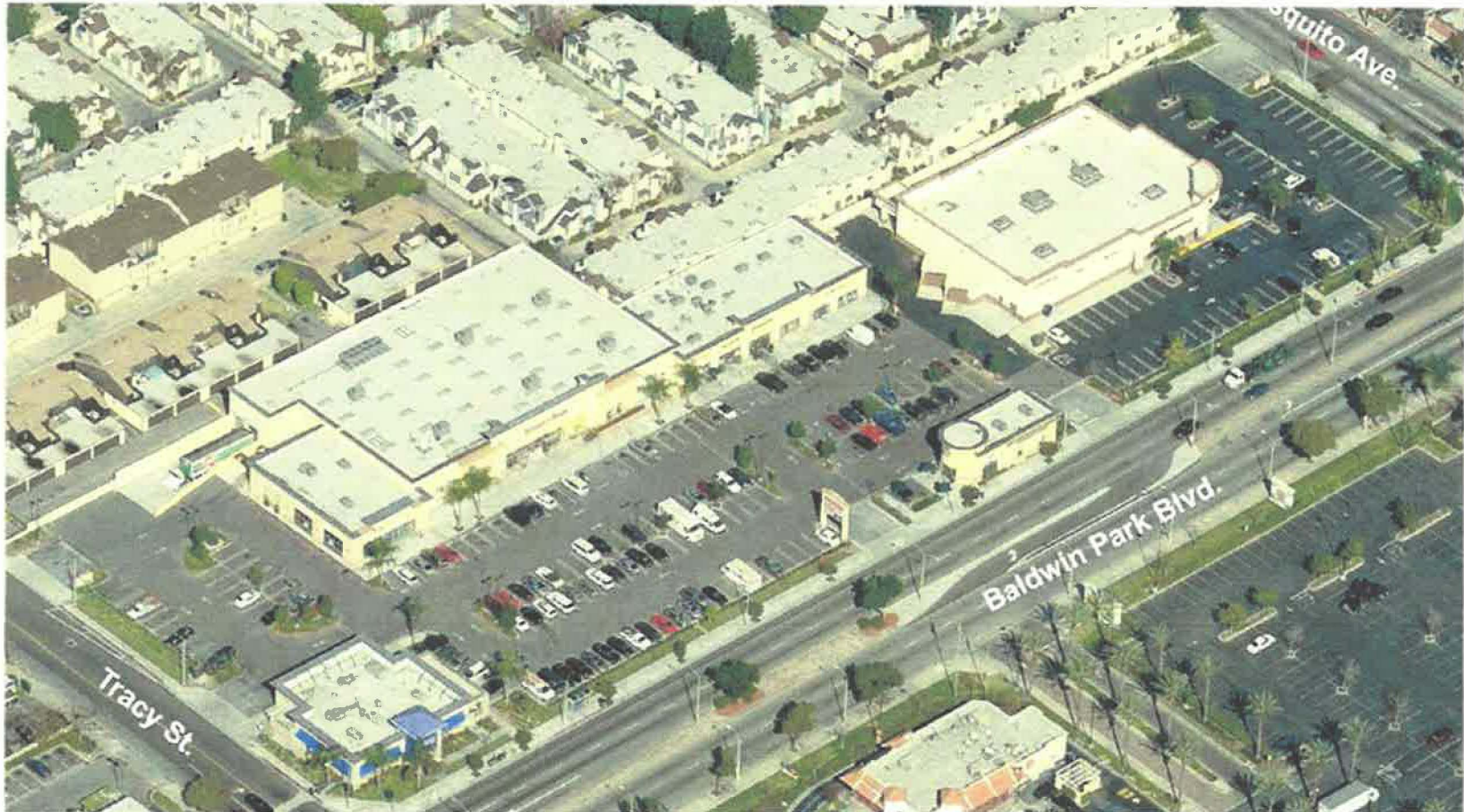
5200 RAMON RD., PALM SPRINGS, CA





4006 WILSHIRE BLVD., LOS ANGELES, CA





3111 BALDWIN PARK BLVD., BALDWIN PARK, CA



3111 BALDWIN PARK BLVD., BALDWIN PARK, CA



3111 BALDWIN PARK BLVD., BALDWIN PARK, CA



10821 LONG BEACH BLVD. & PLUMA, LYNWOOD, CA



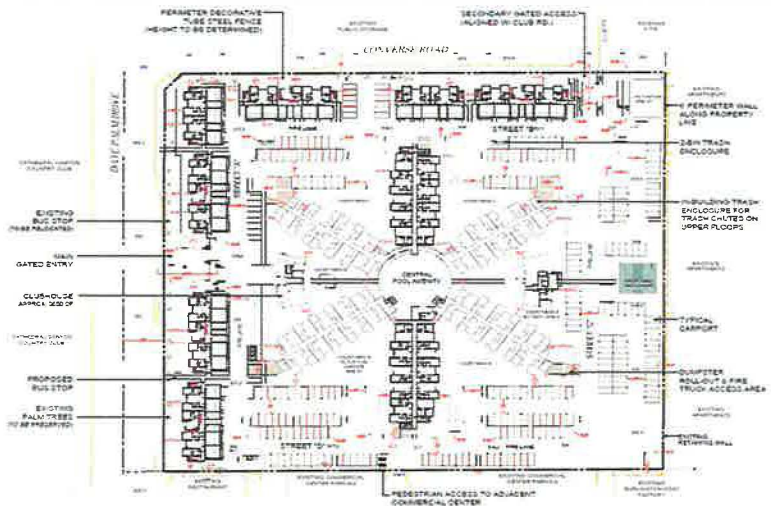
ON-GOING PROJECTS

WHITTIER + CATALINA APARTMENTS



14339 WHITTIER BLVD. CITY OF WHITTIER, CALIFORNIA

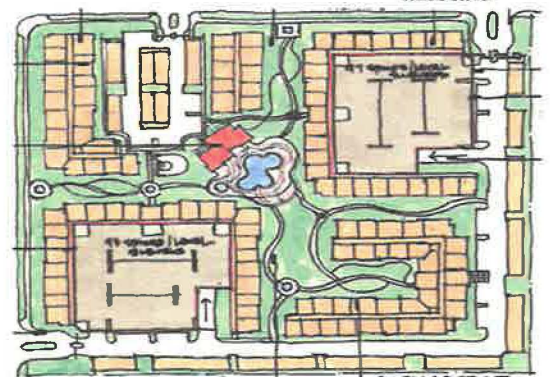
14439 WHITTIER BLVD., WHITTIER, CA



CONCEPTUAL SITE PLAN



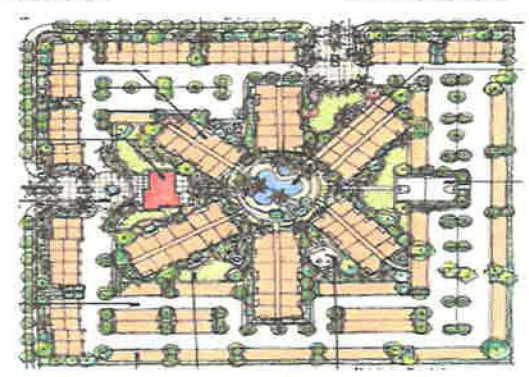
3D ELEVATION CONCEPTS



GARDEN CONCEPT WITH PARKING STRUCTURES



GREAT PARK CONCEPT



"RIVIERA" / STAR CONCEPT

CATHEDRAL CITY APARTMENTS

PROPOSED APARTMENT PLANS



421 N. HARBOR BLVD., SANTA ANA, CA

HARBOR APARTMENTS



PACIFIC COAST HWY., DANA POINT, CA

PROPOSED MIXED USE PROJECT



43500 RIDGEPARK DR., TEMECULA, CA



MELROSE TRIANGLE, WEST HOLLYWOOD, CA

MIXED USE PROJECT