



City of Huntington Beach

2000 MAIN STREET

CALIFORNIA 92648

DEPARTMENT OF COMMUNITY DEVELOPMENT

Business Development · Housing · Real Estate

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January 16, 2020

George Felix
Senior Associate
CBRE, Inc.,
3501 Jamboree Road Suite 100
Newport Beach, CA 92660

RE: LETTER OF INTENT TO PURCHASE 17631 CAMERON LANE, HUNTINGTON BEACH, CA 92647 & OPTION TO PURCHASE 17642 BEACH BLVD.

Dear Mr. Felix,

The purpose of this Letter of Intent ("Letter") is to convey an offer from the City of Huntington Beach ("City" and "Buyer") to purchase the real property located at ~~17361~~ 17631 Cameron Lane, Huntington Beach, CA, owned by Mitsuru Yamada, Trustee of the Mitsuru Yamada Living Trust U/D/T dated September 17, 1998. *my*

1. Property: Approximately 34,189 square feet of vacant land located at ~~17361~~ 17631 Cameron Lane, Huntington Beach, CA 92647 (APN: 167-472-08) *my*
2. Purchase Price: Three Million Seventy Seven Thousand Ten Dollars (\$3,077,010.00), all cash purchase, at the close of escrow (\$90/sf).
3. Security Deposit: Buyer shall deposit Fifty Thousand Dollars (\$50,000.00) upon the opening of escrow (the "Deposit"). Deposit is non-refundable after 45-day contingency period expires. If escrow is cancelled prior to expiration of contingency period then security deposit shall promptly be returned to the Buyer, minus any costs incurred by escrow holder.
4. Opening of Escrow: Upon acceptance of offer by the Huntington Beach City Council, the Buyer shall draft a Purchase and Sale Agreement with Escrow Instructions ("Agreement") incorporating the terms of this Letter. The following conditions must be met in order to open escrow:

- a. Fully executed Agreement signed by Seller and Buyer and transmitted to escrow holder.
 - b. Buyer has placed the Deposit into escrow.
5. Title/Escrow: Title and Escrow shall be handled by Chris Maziar and Grace Kim of Commonwealth Land Title Company located at 4100 Newport Place Dr., Suite 120, Newport Beach, CA 92660. Seller will provide a Standard Owners Policy of Title Insurance ("CLTA") for the subject property. The Buyer shall have the option to obtain upgraded title policies at its cost and sole discretion.
6. Close of Escrow: Escrow shall close ten (10) days after the expiration of the contingency period.
7. Buyer's Contingencies: Buyer has forty five (45) days ("Initial Contingency Period") to diligently investigate the following items: preliminary title report and environmental assessment (Phase I & II) to its satisfaction. If the Buyer is not satisfied with the Contingencies by 5:00 pm (Pacific Standard Time) on the 45th day, then the Buyer may waive the contingencies or terminate the escrow.
- a. Existing Reports & Documents: Within three (3) days after opening of escrow, Seller will deliver to Buyer the following: soils reports, existing leases, permits, disclosure of litigation and any violations affecting the property.
8. Brokerage: CBRE, Inc., is representing the Buyer and Seller in this transaction. Buyer and Seller each agree to pay the half of the brokerage commissions.
9. Option to Purchase: Seller shall grant the Buyer an option to purchase the adjacent real property ("Adjacent Property"), approximately 34,325 square feet of vacant land located at 17642 Beach Blvd, Huntington Beach, CA (APN: 167-472-09). The purchase price for the Adjacent Property is Three Million Eighty Nine Thousand Two Hundred Fifty Dollars (\$3,089,250.00), all cash purchase (\$90/SF), with the same contingencies as the first property. The option to purchase shall expire on July 31, 2021.
9. Terms of Offer: The foregoing offer may be accepted by Buyer by executing and returning said counter offer to the City no later than 5:00 pm (PST) on Thursday, January 23, 2020.
10. City Council Approval: This Letter offer and subsequent Agreement is contingent upon approval by the Huntington Beach City Council.

This Letter of Intent is not intended as, and does not constitute, a binding agreement by any party nor an agreement by any party to enter into a binding agreement, but is merely intended to specify some of the proposed terms and conditions of the transaction contemplated herein. Neither party may claim any legal rights against the other by reason

of signing this letter of intent or by taking any action in reliance thereon. Each party hereto fully understands that no party shall have any legal obligations to the other, or with respect to the proposed transaction, unless and until all the terms and conditions of the proposed transaction have been negotiated and agreed to by all parties and set forth in a Purchase and Sale Agreement with Escrow Instructions executed and delivered by all parties. The only legal obligations that any party shall have shall be those contained in such fully executed Purchase and Sale Agreement with Escrow Instructions. The above is intended to be an expression of the general business terms and conditions upon which we are willing to proceed. Other essential terms will be the subject of further discussions.

Feel free to reach out to Kellee Fritzal at (714) 374-1519 or Carlos Marquez at (714) 536-5544 if you have questions.

Sincerely,

Ursula Luna-Reynosa

Ursula Luna-Reynosa
Community and Economic Development Director

AGREED AND ACCEPTED

BUYER:

City of Huntington Beach, a municipal corporation

By: URSULA LUNA-REYNOSA

Title: DIRECTOR OF
COMMUNITY DEVELOPMENT

SELLER

Mitsuru Yamada, Trustee of the Mitsuru Yamada Living Trust U/D/T dated September 17, 1998

By: *Mitsuru Yamada, Trustee* 1/21/2020

Title: PARTNER
SHIGERU YAMADA, TRUSTEE OF SHIGERU YAMADA LIVING TRUST DATED 9/17/1998
BY Shigeru Yamada, Trustee 1/21/2020
TITLE: Partner