



**ORBIS  
REAL  
ESTATE  
PARTNERS**

May 24, 2019

Mr. Robb Steel  
c/o Mr. Bill Heim  
**Lee & Associates - Ontario**  
3535 Inland Empire Blvd  
Ontario, CA 91764

**RE: LETTER OF INTENT TO PURCHASE ±2.84 ACRES  
LOCATED AT WEST RENAISSANCE PARKWAY AVE IN RIALTO, CA**

Dear Bill,

On behalf of Orbis Real Estate Partners ("OREP"), OREP is pleased to present this Letter of Intent to Purchase which outlines the general terms and conditions by which OREP ("Buyer") would enter into a Purchase and Sale Agreement to acquire the below referenced Property.

For your consideration, OREP is prepared to enter into a Purchase and Sale agreement with the terms and conditions listed below:

- 1. BUYER:** Orbis Real Estate Partners ("OREP") or Assignee, will assign its purchase rights to a single purpose entity controlled by OREP for the purpose of acquiring the Property.
- 2. PROPERTY:** The Property consists of APN: 0240-211-21 (collectively, the "Property") in the City of Rialto, County of San Bernardino, California more particularly described in Exhibit A ("Legal Description") with no representation as to the size or configuration and only on an AS IS WHERE IS WITH ALL FAULTS basis.
- 3. STRUCTURE AND PURCHASE PRICE:** All-Cash Purchase Price, \$2,000,000, or Sixteen Dollars and Seventeen Cents (\$16.17) per square foot.
- 4. CONTINGENCY PERIOD:** Buyer shall obtain a Ninety (90) day Contingency Period from Opening of Escrow, subject to Deposit structure detailed in section 5.
- 5. DEPOSIT:**
  1. Upon the Opening of Escrow, Buyer shall deposit Fifty Thousand Dollars (\$50,000), which shall be refundable and applicable to the Purchase Price.

2. Following the expiration of the Contingency Period, Buyer shall deposit an additional Fifty Thousand Dollars (\$50,000), all deposits shall then be considered non-refundable but applicable to the Purchase Price.
6. **OPENING OF ESCROW:** Escrow shall be opened at First American Title Company, 3281 E. Guasti Road, Suite 440, Ontario, CA 91761 (Attn: Kelly Simoneau, Escrow Officer and Erin Graeber Bougie, Title Officer), when both a Purchase and Sale Agreement (fully executed by both parties), and the Deposit has been delivered into escrow.
7. **ESCROW CLOSE DATE:** The close of escrow shall occur on or before November 15, 2020 or upon issuance of entitlements.
8. **EXTENSIONS TO CLOSE:** Buyer shall obtain two (2), ninety (90) day options to extend the close of Escrow. Upon each exercised extension, Buyer shall deposit an additional Fifteen Thousand Dollars (\$15,000) for each exercised extension, which shall be deemed non-refundable to Seller and applicable to the Purchase Price. In no event shall escrow be longer than eighteen (18) months.
9. **DUE DILIGENCE PERIOD:**

Seller shall provide Buyer with Due Diligence Materials listed herein, if applicable and/or obtained by Seller:

  - A. **Title:** Buyer shall have the right to review and approve a Preliminary Title Report.
  - B. **Physical Inspection:** Buyer shall have the right to conduct engineering studies and other such feasibility studies regarding the condition of the Property as it may consider necessary at a time convenient to each party upon reasonable notice to Seller. In no event shall the Buyer be authorized to perform any invasive testing.
  - C. **Environmental Audit:** Buyer shall have the right to conduct an environmental audit and such environmental studies and investigations regarding the environmental condition of the Property as the Buyer determines is prudent, at its sole cost. In no event shall the Buyer be authorized to perform any invasive testing.
  - D. **Government Regulations:** Buyer shall have the right to review and approve the zoning, land use and other governmental regulations, laws permits and approvals that apply to the Property.
  - E. **Documents:** Buyer shall have the right to review all leases, contracts, plans, studies and reports, as may be made available by Seller, that bind the Property or that will affect the use of the Property after the Close of Escrow.
10. **TITLE INSURANCE:** The Title Company shall be First American Title Company in Ontario, CA.
11. **CLOSING COST, CREDITS AND PRORATIONS:** Seller will be responsible for the title insurance, city, county and state transfer taxes and any intangible taxes. Buyer and Seller shall split equally recording, filing and escrow fees. Real estate taxes and any other matters will be prorated as of the Close of Escrow.
12. **MAINTENANCE OBLIGATIONS:** During Escrow, Seller shall maintain the Property in good condition, and will not execute any leases or create nor permit the creation of any title exceptions such as easements or liens to encumber the Property without Buyer's prior

written approval, which shall not be unreasonably withheld prior to the expiration of the Due Diligence Period and in the Buyer sole and absolute discretion after the Deposit becomes non-refundable to Buyer.

- 13. MATERIAL CHANGE:** During Escrow, no material change shall have occurred with respect to the Property that has not been approved in writing by Buyer. A material change is defined as a change in condition of the Property as reasonably expected by Buyer that occurs after the expiration of the Contingency Period and prior to the Closing.
- 14. REPRESENTATION & WARRANTIES:**
- A. Hazardous Substances: Except as otherwise disclosed to Buyer in writing, to the best of Seller's knowledge, has it received any notice of violation from any jurisdictional agency related to Hazardous Substances on the site.
  - B. Americans with Disabilities Act: To the best of Seller's knowledge, Seller has not received any written notice of conditions of the Property which violate applicable laws, rules, regulations, codes or covenants, conditions or restrictions that may relate to the Americans with Disability Act.
  - C. Mechanic's Liens: To the best of Seller's knowledge, at Closing there will not be any unsatisfied mechanic's or material men's liens rights concerning the Property.
  - D. Actions, Suits or Proceedings: To the best of Seller's knowledge, there are not any actions, suits, or proceedings pending or threatened before any governmental department, commission, board, bureau, agency or instrumentally that would affect the Property or the right to occupy or utilize it.
- 15. FINALIZATION OF PURCHASE DOCUMENTS:** The purpose of this offer is to outline the basic terms and conditions upon which an agreement may be reached between the parties to facilitate a transaction. This offer is a non-binding proposal and no party shall have the right to institute any legal actions with respect to the transactions described herein. Any understanding between the parties shall only be deemed to have been reached when a Purchase and Sale agreement and escrow instructions containing all the applicable terms and conditions relating to the transaction have been fully executed by each party and delivered to escrow.
- 16. CONFIDENTIALITY:** Buyer shall keep confidential all information regarding the Property made available by Seller or Sellers agent(s), except for disclosure to persons assisting Buyer with this transaction and except as may be required by law. This obligation shall survive expiration or termination of this Letter.
- 17. COMMISSION** Buyer and Seller each represent and warrant to the other than Lee and Associates – Ontario is acting for Buyer and Seller. Seller shall pay to brokers a commission of 5% of the total purchase value representing Seller and Buyer respectively.
- 18. 1031 EXCHANGE:** Buyer shall cooperate with any IRC 1031 exchange the Seller may wish to engage in

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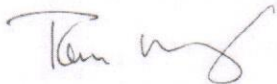
Please evidence your agreement that the foregoing represents an accurate statement of our present mutual intent by signing and returning a copy of this letter to the undersigned. In the event this Letter has not been fully executed and returned to the undersigned on or before the above date and time it shall automatically expire and become null and void.

Buyer and Seller acknowledge that this letter does not, and is not intended to, constitute a binding agreement. No party will be otherwise obligated or bound unless and until both parties have entered into the formal purchase agreement. The parties acknowledge that this proposal does not include all of the terms of the purchase agreement.

Thank you in advance for your cooperation and if you have any questions regarding any of the preceding information, please do not hesitate to contact us to discuss.

Warm Regards,

**ORBIS REAL ESTATE PARTNERS**



Thomas E. Money  
Managing Partner

**AGREED AND ACCEPTED:**  
**SELLER:**

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By: \_\_\_\_\_

