CBRE

Justin McMahon
Senior Vice President
License 01721162

CBRE, Inc.
Advisory & Transaction Services

18575 Jamboree Road, Suite 600
Irvine, CA 92612

949.725.8589 Tel
949.725-8545 Fax

justin.mcmahon@cbre.com
www.cbre.com

June 3, 2026

Maggie Quon
mcheng@octa.net
OCTA

Re: Proposal to Purchase – DKAY Holdings, LLC
28681 Marguerite Pkwy & 26242 Avery Pkwy
Mission Viejo, CA 92692 ("Property")

Maggie:

On behalf of DKAY Holdings, LLC ("Buyer"), the following sets forth the terms and conditions under which they would be prepared to proceed with the negotiations of a Purchase and Sale Agreement ("Agreement") with the Seller of the above referenced property:

1. **Seller**: Orange County Transportation Authority ("OCTA")

2. **Buyer:** DKAY Holdings, LLC, a Wyoming Limited Liability Company

3. **Property:** +/- 24,434 square feet (+/- 0.56 acres) of land located at SWC of Marguerite Pkwy and Avery Pkwy in Mission Viejo, CA. APN 740-014-01 & 740-014-05.

4. **Purchase Price**: ONE MILLION NINE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS ($1,950,000.00), all cash at close of escrow.

5. **Deposit**: Buyer shall deposit with Escrow Holder the sum of $50,000.00 within three days of opening escrow (the "Deposit"). The Deposit shall be held in escrow and shall be applied toward the purchase price at closing. The Deposit shall be fully refundable during the Due Diligence Period. Upon expiration of the Due Diligence Period, the Deposit shall become non-refundable.

6. **Interest Purchased:** Fee simple interest in all land and improvements. Buyer is acquiring the Property "AS IS, WITH ALL FAULTS" without any representation or warranty of Seller, expressed, implied or statutory, as to the nature or condition of or title to Property or its fitness for Buyer's intended use.

7. **Escrow:** Escrow shall be opened at Golden State Escrow Inc. within three (3) days upon execution of the Purchase and Sale Agreement (the "PSA"). Buyer shall deposit the balance of the purchase price at or before closing.

8. **Due Diligence Period**: Buyer shall have Sixty (60) days from the execution of a Purchase and Sale Agreement to and investigate the property and any other matters pertaining to the property (the "Due Diligence Period"), as would normally be expected to be performed by a prudent Buyer. In the event these items are not acceptable to the Buyer, upon written notice given by Buyer to Seller within the Due Diligence Period, such notice to be given in Buyer's sole discretion, the Deposit shall be refundable in full. Buyer's due diligence review shall include, without limitation, the following matters:

a. Buyer's review of any existing environmental reports in Seller's possession and delivered to Buyer;

b. Buyer's review and approval of the preliminary title report, together with all underlying exception documents to be provided by OCTA;

c. Buyer's physical inspection of the Property, subject to the terms of the PSA, including Seller's reasonable access requirements, insurance requirements, and indemnity protections; and

d. Buyer's receipt and review of an ALTA survey, if obtained by Buyer at Buyer's sole cost and expense.

Buyer agrees that any documents or reports obtained by Buyer from Seller during the Due Diligence Period shall be promptly returned by Buyer to Seller should Buyer terminate the Agreement or if the transaction contemplated herein fails to close, and Buyer shall retain no copies thereof.

9. **Close of Escrow**: Escrow shall close thirty (30) days following the Due Diligence Period. All deposits shall be held in escrow and shall be applied toward the Purchase Price at closing. Buyer shall deposit the balance of the Purchase Price at or before the closing of escrow. Buyer shall deposit the balance of the purchase price at or before closing.

10. **Closing Costs**: Buyer and Seller shall each pay one-half of escrow fees. Other closing costs shall be paid in accordance with customary practice in Orange County, California.

11. **Brokerage**: Seller and Buyer recognize CBRE, Inc. as the broker representing both Seller and Buyer in this transaction. Seller to pay a fee of to CBRE of 4.0% at close of escrow and no fee shall be earned until the close of escrow. No commission obligation shall arise from this Letter.

12. **Estoppels:** Seller shall use commercially reasonable efforts to provide Buyer with estoppel certificates.

13. **Purchase and Sale Agreement:** Seller to provide Buyer with a draft of the PSA incorporating the terms and conditions contained herein within ten (10) business days of OCTA's Board of Directors approving this Letter of Intent ("Letter"). This Letter shall terminate and expire upon OCTA's Board of

Directors rejecting this Letter or takes no action within 60 days of the date of this Letter.

14. **Restriction:** The sale of the Property is subject to an Access Control Line (ACL) that will be established by the California State Department of Transportation (Caltrans) along Avery Parkway as depicted on Attachment A. The ACL is a legal boundary that prohibits direct access from the Property to Avery Parkway without prior approval from Caltrans. As a result, neither the current nor any future owner may construct driveways, entrances, or exits across this line. This restriction constitutes a permanent encumbrance on the property and will remain in effect regardless of ownership. Buyer's obligation to close under the PSA shall not be conditioned on obtaining any modification, waiver, driveway approval, access permit, or other relief from such restriction unless expressly agreed by Seller in the PSA. In addition, OCTA is required, when selling property it declares as Surplus Land under Government Code section 54221, to place restrictions on the future residential development of such property and record a Declaration of Covenants and Restrictions Deed against the Property (Attachment B). Execution of Exhibit B in a form approved by OCTA shall be a condition precedent to close of escrow.

15. **Non-Binding**. ***This Letter is not a commitment to sell the Property nor is it a commitment to exclusively negotiate with Buyer until OCTA's Board of Directors approves this Letter. The comments contained in this Letter do not address all of the Seller's terms and conditions that may be set forth in a PSA as the intent of this letter is general in nature is only an expression of the basic conditions to be incorporated into the PSA. It should be expressly understood that OCTA's Board of Directors is the only party authorized to approve any of the terms or conditions of any proposed sale of the Property. No agreement to sell the Property will exist until the execution of a binding PSA by both parties and if necessary, further approved by OCTA's Board of Directors. This Letter does not require either party to negotiate in good faith or to proceed to the completion of a binding PSA. The parties shall not be contractually bound unless and until they enter into a formal, written PSA, which must be in form and content satisfactory to each party and to each party's legal counsel, in their sole discretion. Neither party may rely on this Letter as creating any legal obligation of any kind. Notwithstanding the foregoing, Seller and Buyer agree to use reasonable efforts to negotiate a mutually acceptable PSA within fifteen (15) business days thereafter***.

If the foregoing outline of the basic terms and conditions is acceptable to Buyer as a basis for negotiations, we request that Buyer so acknowledges by signing and returning the enclosed copy of this letter by 4:00 p.m., Pacific Standard time on **June 12, 2026.**

This letter is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully negotiated, executed and delivered by the parties. The parties agree that this letter is not intended to create any binding agreement or obligation by either party to negotiate a definitive purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

Thank you for your consideration and we look forward to working with you on this transaction.

Sincerely,

CBRE Inc.

Justin McMahon
Senior Vice President

SELLER:
ORANGE COUNTY TRANSPORTATION AUTHORITY

By: ______________________________
James G. Beil
Its: **Executive Director, Capital Program**

Date: 7/7/2026

BUYER:
DKAY HOLDINGS, LLC

DocuSigned by:
By: ______________________________
6CDAFD8B786F4E9...

Its: Managing Member

Date: 6/5/2026

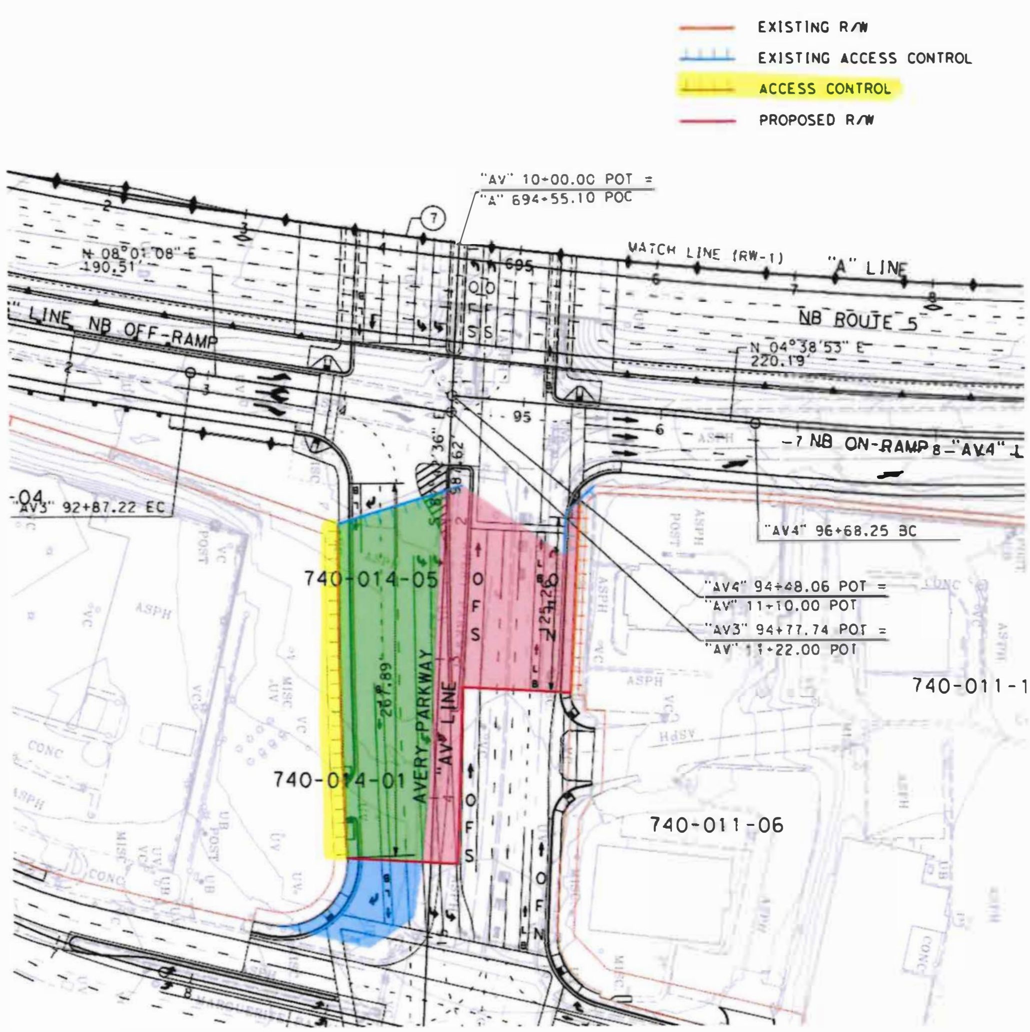
Approved as to Form:

By: ______________________________
James M. Donich, General Counsel

Date: ______________________________

Attachment A

Surplus Property - Corner of Marguerite Parkway and Avery Parkway, Mission Viejo (APNs: 740-014-01 and 740-014-05)



Attachment B

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO ______________________ ______________________ ______________________ No Fee for Recording Pursuant to Government Code Section 27383	

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

DECLARATION OF COVENANTS AND RESTRICTIONS

This Declaration of Covenants, Conditions and Restrictions ("Covenant") is made as of this_______day of_______________________, 202_, by DKAY Holdings, LLC, a Wyoming Limited Liability Company ("Declarant"), and the Orange County Transportation Authority, a public entity, ("Authority") with reference to the following facts:

A. Declarant is the owner of that certain real property (with all improvements thereon) described and depicted in Exhibits "A1," "A2," "B1," and "B2" attached hereto and incorporated herein ("Property").

B. The Authority is the previous owner of the Property, which was conveyed to Declarant pursuant to a Grant Deed recorded in the Official Records of Orange County, which is attached as Exhibit "C" and incorporated in this Covenant by reference.

C. Government Code section 54233 requires the Authority, when selling property, it declares as Surplus Land under Government Code section 54221, to place restrictions on the future residential development of such property.

D. The Authority has determined that the Property constitutes Surplus Land pursuant to Government Code section 54221.

E. Therefore, as a condition of conveyance of the Property to Declarant, Declarant and Authority agree to the following covenants and restrictions recorded against the Property pursuant to Government Code section 54233.

NOW, THEREFORE, the Authority and Declarant hereby declare that the following express covenants are to be taken and construed as running with the Property, including as set forth in California Civil Code section 1460, and, except as set forth below, shall pass to and be binding upon Declarant and its successors, assigns, heirs, grantees or lessees to the Property or any part thereof, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise. Each and every contract, deed, lease or other instrument covering or conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted this Covenant and be subject to the covenants and restrictions contained herein regardless of whether such covenants and restrictions are set forth in such contract, deed, lease or other instruments. These covenants and restrictions shall be enforceable against any owner who violates a covenant or restriction and each successor-in-interest who continues the violation by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the California Government Code.

Section 1. Declarant hereby declares that the recitals above are true and are hereby incorporated by reference.

Section 2. Declarant declares that if ten (10) or more residential units are developed on the Property, not less than fifteen percent (15%) of the total number of residential units developed on the parcels shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, Lower Income Households for a period of at least fifty-five (55) years for rental housing and forty-five (45) years for ownership housing. The initial occupants of all ownership units shall be Lower Income Households, and the units shall be subject to an equity sharing agreement consistent with the provisions of Government Code section 65915(c)(2).

Section 3. Declarant agrees to: (a) incorporate by express reference the terms of this Covenant in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Property; and (b) describe the Covenant in, and append it to, any contract for the transfer of any property interest in the Property.

Section 4. In the event that any one or more of the provisions contained in this Covenant shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Covenant shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 5. This Covenant may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 6. Declarant and Authority shall cause this Covenant, and all amendments and supplements to it, to be recorded in the Official Records of the County of Orange, California.

IN WITNESS WHEREOF, Declarant and Authority have executed this Covenant as of the date first above written.

AUTHORITY:	DECLARANT:
Orange County Transportation Authority	DKAY Holdings, LLC

By: ___________________________________
Darrell E. Johnson, Chief Executive Officer

Dated: ______________________________

By: ______________________________
Name:

Dated: ___________________________

APPROVED AS TO FORM:

____
James M. Donich, General Counsel

Dated: ________________________________

EXHIBITS “A1,” “A2,” “B1,” AND “B2”
LEGAL DESCRIPTION AND DEPICTION OF PROPERTY

EXHIBIT “C”
GRANT DEED

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _______________, 202__, before me, ___________________________________, Notary Public, personally appeared ________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Signature

(Seal)

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On________________, 202___, before me,____________________________________, Notary Public, personally appeared________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Signature

(Seal)