

May 11, 2007

Service Station @ 2502 Teddy Drive

Ungar Investments is combining two parcels at Sahara and Teddy Drive and will replace the existing, 35 year old convenience store with a new, larger service station and store. This new project will upgrade the dilapidated and vacant corner lot and will incorporate new landscaping meeting current city standards. Additionally, we will remove the abandoned freeway pole sign at this location.

The project will significantly improve the look and traffic flow of the existing two parcels, while providing needed gas sales for the freeway access at this location. We have been consulting with Palace Station for the last two years and plan on integrating the project with their property to provide a clean, seamless corner statement.

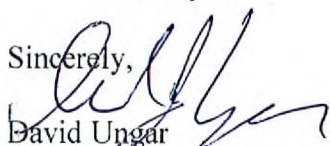
This project was approved in 1999 (U-89-99) but the building permit was held up for over a year because of the road re-alignment problems with the Teddy and Sahara intersection and the new freeway on-ramp. We agreed to the current site plan to allow the city to implement the necessary parcel purchases and traffic flow; we have worked with the City Engineers office over the last 5 years to insure that our mutual traffic concerns would be met.

During the site reviews in 1999, the parties agreed that portions of the site's landscaping would be taken over by the city for purposes of widening Teddy Drive. We agreed to relocate portions of the site plan so that only landscaping would be taken by the City at the time of the widening, thereby saving them the expense of paying for tank and facilities relocation. This would leave the site with somewhat thin planters, but was done for the purpose of saving the city money.

The current site plan conforms to this agreed layout of the planters. Accordingly, we are asking for a waiver of some of the landscape planter depth requirements as was agreed in 1999 and with which we complied when we executed the deed to the city three years ago.

Thank you.

Sincerely,

  
David Ungar

Ungar Investments Limited Partnership

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**06/28/07 PC**