



April 3, 2024

Ray Rickard
c/o RE/MAX 4000 Inc.
120 W. Park Drive, Suite 200
Grand Junction, CO 81505

RE: Letter of Intent Regarding 450 28 Road, Grand Junction, Colorado

Dear Mr. Rickard,

Please accept this letter of intent (“LOI”) on behalf of the City of Grand Junction (“Buyer”) regarding the possible purchase of a portion of certain real property owned by En-Sim QOF LLC (“Seller”) commonly addressed as 450 28 Road, Grand Junction, Colorado (“Property”).

The Buyer or its assign(s) is pleased to make the following expression of interest to purchase a portion of the Property. That portion of the Property, the legal description of which will be determined by and with a future, lawful subdivision in accordance with the laws, rules, and regulations of the Buyer, will for the purposes of this letter of intent (“LOI” or “Letter of Intent”) be referred to as “TBD Lot”. Collectively the Seller and the Buyer may be referred to as the Parties.

The Buyer is interested in purchasing fee title interest in the TBD Lot, along with all improvements, free of all liens and encumbrances. The terms on which the Buyer would be interested in proceeding to negotiate a mutually acceptable Purchase and Sale Agreement (“PSA” or “Purchase and Sale Agreement”) relating to TBD Lot are stated below.

This LOI reflects the present concepts for the transaction described herein; a final and complete PSA will need to be negotiated. This LOI does not constitute, and shall not be construed to constitute, an enforceable agreement at this time. This LOI shall be superseded by the PSA, as agreed to, and executed by the Parties, if at all. Although this LOI is intended by the Parties to describe terms of the transaction contemplated herein at the time of its execution, nothing herein shall obligate or bind any party to any terms, conditions or agreements and no party shall assert a claim or incur any liability arising out of the execution of this LOI. The proposed terms and conditions include, but are not limited to, the following:

1. Property:

TBD Lot (the number assigned to that portion of the Property with the subdivision plat) shall be no less than 21.45 acres. TBD Lot shall be, by Seller, legally subdivided in accordance

with applicable laws, rules, and regulations, including but not limited to those of the City of Grand Junction (“Subdivision Process.”)

All improvements required by the Subdivision Process shall be guaranteed and constructed by Buyer which include but are not limited by this letter to be:

- a. Dedication of right of way and construction of approximately 1,700 feet Grand Avenue to a local commercial street standard.
- b. Dedication of a single lane right of way for roundabout at Grand and 28 Road
- c. Construction of approximately 600 feet of Minimum Access from Grand Avenue north to the existing asphalt surface on 28 ¼ Road
- d. Construction of other required public utilities including water, sewer, stormwater, electric, gas and internet.
- e. Although not required for purposes of the Subdivision Process, the Buyer will after conveyance of the TBD Lot to it propose that the Buyer include in its budget, and if the budget request is approved by the City Council, construct improvements to 28 ¼ Road from the improvements constructed in c., above) to a possible connection at I-70B.

2. Purchase Price:

The purchase price (“Purchase Price”) shall be \$3,200,000 or \$149,184.00 per acre with the amount due at Closing (defined below) from the Buyer being established based on the actual acreage of TBD Lot as platted.

3. Payment Terms:

The Purchase Price will, as provided in the PSA, be paid at Closing in cash or immediately available funds.

4. Purchase and Sale Agreement:

Following execution of this LOI and the platting of the Property/completion of the Subdivision Process, the Parties will draft the PSA. Upon completion of the platting of the Property/the Subdivision Process, the Parties may enter into the PSA subject to agreement by the Parties as to all terms and conditions

thereof. In addition to those terms and conditions set forth in this LOI, the PSA shall contain other terms and conditions customarily included in Colorado commercial, vacant land real estate contracts. The PSA, once drafted to the satisfaction of the Parties to this LOI will be subject to review and ratification, if accepted at a regular noticed meeting of the City Council. Ratification shall be in the form of a City Council resolution.

5. Earnest Money Deposit:

Within 10 days after the executed PSA Buyer shall provide for an earnest money deposit of \$250,000.00 (“Earnest Money”) in accordance with and subject to the PSA.

6. Due Diligence/Inspection Period:

Purchaser shall conduct a due diligence review of the TBD Lot to determine, in Buyer’s sole and absolute discretion, whether TBD Lot is acceptable to Buyer (“Due Diligence Review”). Buyer shall have a period of 30 days from the date the Purchase and Sale Agreement is fully executed (“Due Diligence Period”) to conduct the Due Diligence Review. Purchaser, in its sole discretion, may give notice to the Seller that TBD Lot is acceptable prior to the end of the 30-day period. In such case, the Closing will be no later than 30 days from the effective date of such notice.

During the Due Diligence Period, the Seller shall provide Buyer and Buyer’s agents, contractors, and subcontractors access to the Property as reasonably requested by the Buyer. The Seller shall provide Buyer with the opportunity to review and copy environmental and zoning records, and any covenants, conditions, and restrictions (CC&R’s), if any, related to the Property. If the results of the Due Diligence Review are not satisfactory to the Buyer, it may terminate the PSA by notifying the Owner in writing of the same on or before the expiration of the Due Diligence Period. In the event of such termination, the Earnest Money shall be returned to Buyer and the PSA, and the Parties’ obligations thereunder shall

have no further force and effect, except for those specific provisions which expressly survive the termination of the PSA.

Buyer shall be responsible for payment of all Due Diligence Review costs and fees, including, but not limited to all inspections, tests, surveys, engineering services and reports, development services and all other reports or services performed at Buyer's request.

7. Closing:

The Closing shall take place as provided in the PSA, no later than 30 days after the end of the Due Diligence Period.

8. Closing Costs:

a. The Seller shall bear the expense of a standard owner's title insurance policy on the TBD Lot for the benefit of Buyer. All other closing costs will be divided equally between the Parties. Each party shall be responsible for their own legal fees. Buyer is responsible for the payment for all fees and costs related to the due diligence performed during the term of the PSA.

b. At closing, Seller shall execute a promissory note in the amount of \$2,000,000 (two million dollars) of which \$1,000,000 (one million dollars) shall be due on or before January 1, 2026 and \$1,000,000 (one million dollars) due upon the Buyer's substantial completion, as determined by the Buyer, of the improvements required by the Subdivision Process.

9. Title

Upon the tender of the Purchase Price at Closing and satisfaction by the Parties of the terms and provisions of the PSA, the Seller shall transfer and convey the TBD Lot to the Buyer by general warranty deed free from any and all liens, claims, encumbrances or other defects of title, except those specific exceptions, if any, described by reference to recorded documents as reflected in the title documents accepted by Buyer in accordance with the PSA.

10. Contingent upon:


The PSA, when executed, and the obligation of the Buyer to proceed under its terms and conditions is expressly contingent upon the approval by resolution of the City Council of the City of Grand Junction. If not obtained on or before 60 days after the completion of the Subdivision Process, the Purchase and Sale Agreement shall be void and of no effect; and/or, the PSA, when executed, and the obligation of the Buyer to proceed under its terms and conditions is expressly contingent upon the execution of a PSA with the Colorado Affordable Housing Financing Fund (CHFA) and Office of Economic Development and International Trade (OEDIT).

11. Termination:

If the Parties are unable to agree to the terms of the PSA, either party may terminate this Letter of Intent upon 7 days' prior written notice to the other party.

This letter of intent is an expression of interest only, and neither party shall have any legal obligations to the other unless and until a binding PSA is executed and delivered by the Parties. This letter is intended solely for the purpose of setting forth the basic terms upon which Buyer would be willing to proceed to develop a PSA.

Regards,



City Manager

pc:

John Shaver, City Attorney



April 3, 2024

Ray Rickard
c/o RE/MAX 4000 Inc.
120 W. Park Drive, Suite 200
Grand Junction, CO 81505

RE: Letter of Intent Regarding 450 28 Road, Grand Junction, Colorado

Dear Mr. Rickard,

Please accept this letter of intent ("LOI") on behalf of the City of Grand Junction ("Buyer") regarding the possible purchase of a portion of certain real property owned by En-Sim QOF LLC ("Seller") commonly addressed as 450 28 Road, Grand Junction, Colorado ("Property").

The Buyer or its assign(s) is pleased to make the following expression of interest to purchase a portion of the Property. That portion of the Property, the legal description of which will be determined by and with a future, lawful subdivision in accordance with the laws, rules, and regulations of the Buyer, will for the purposes of this letter of intent ("LOI" or "Letter of Intent") be referred to as "TBD Lot". Collectively the Seller and the Buyer may be referred to as the Parties.

The Buyer is interested in purchasing fee title interest in the TBD Lot, along with all improvements, free of all liens and encumbrances. The terms on which the Buyer would be interested in proceeding to negotiate a mutually acceptable Purchase and Sale Agreement ("PSA" or "Purchase and Sale Agreement") relating to TBD Lot are stated below.

This LOI reflects the present concepts for the transaction described herein; a final and complete PSA will need to be negotiated. This LOI does not constitute, and shall not be construed to constitute, an enforceable agreement at this time. This LOI shall be superseded by the PSA, as agreed to, and executed by the Parties, if at all. Although this LOI is intended by the Parties to describe terms of the transaction contemplated herein at the time of its execution, nothing herein shall obligate or bind any party to any terms, conditions or agreements and no party shall assert a claim or incur any liability arising out of the execution of this LOI. The proposed terms and conditions include, but are not limited to, the following:

1. Property:

TBD Lot (the number assigned to that portion of the Property with the subdivision plat) shall be no less than 21.45 acres. TBD Lot shall be, by Seller, legally subdivided in accordance

with applicable laws, rules, and regulations, including but not limited to those of the City of Grand Junction ("Subdivision Process.")

All improvements required by the Subdivision Process shall be guaranteed and constructed by Buyer which include but are not limited by this letter to be:

- a. Dedication of right of way and construction of approximately 1,700 feet Grand Avenue to a local commercial street standard.
- b. Dedication of a single lane right of way for roundabout at Grand and 28 Road
- c. Construction of approximately 600 feet of Minimum Access from Grand Avenue north to the existing asphalt surface on 28 ¼ Road
- d. Construction of other required public utilities including water, sewer, stormwater, electric, gas and internet.
- e. Although not required for purposes of the Subdivision Process, the Buyer will after conveyance of the TBD Lot to it propose that the Buyer include in its budget, and if the budget request is approved by the City Council, construct improvements to 28 ¼ Road from the improvements constructed in c., above) to a possible connection at I-70B.

2. Purchase Price:

The purchase price ("Purchase Price") shall be \$3,200,000 or \$149,184.00 per acre with the amount due at Closing (defined below) from the Buyer being established based on the actual acreage of TBD Lot as platted.

3. Payment Terms:

The Purchase Price will, as provided in the PSA, be paid at Closing in cash or immediately available funds.

4. Purchase and Sale Agreement:

Following execution of this LOI and the platting of the Property/completion of the Subdivision Process, the Parties will draft the PSA. Upon completion of the platting of the Property/the Subdivision Process, the Parties may enter into the PSA subject to agreement by the Parties as to all terms and conditions

thereof. In addition to those terms and conditions set forth in this LOI, the PSA shall contain other terms and conditions customarily included in Colorado commercial, vacant land real estate contracts. The PSA, once drafted to the satisfaction of the Parties to this LOI will be subject to review and ratification, if accepted at a regular noticed meeting of the City Council. Ratification shall be in the form of a City Council resolution.

5. Earnest Money Deposit:

Within 10 days after the executed PSA Buyer shall provide for an earnest money deposit of \$250,000.00 ("Earnest Money") in accordance with and subject to the PSA.

6. Due Diligence/Inspection Period:

Purchaser shall conduct a due diligence review of the TBD Lot to determine, in Buyer's sole and absolute discretion, whether TBD Lot is acceptable to Buyer ("Due Diligence Review"). Buyer shall have a period of 30 days from the date the Purchase and Sale Agreement is fully executed ("Due Diligence Period") to conduct the Due Diligence Review. Purchaser, in its sole discretion, may give notice to the Seller that TBD Lot is acceptable prior to the end of the 30-day period. In such case, the Closing will be no later than 30 days from the effective date of such notice.

During the Due Diligence Period, the Seller shall provide Buyer and Buyer's agents, contractors, and subcontractors access to the Property as reasonably requested by the Buyer. The Seller shall provide Buyer with the opportunity to review and copy environmental and zoning records, and any covenants, conditions, and restrictions (CC&R's), if any, related to the Property. If the results of the Due Diligence Review are not satisfactory to the Buyer, it may terminate the PSA by notifying the Owner in writing of the same on or before the expiration of the Due Diligence Period. In the event of such termination, the Earnest Money shall be returned to Buyer and the PSA, and the Parties' obligations thereunder shall

have no further force and effect, except for those specific provisions which expressly survive the termination of the PSA.

Buyer shall be responsible for payment of all Due Diligence Review costs and fees, including, but not limited to all inspections, tests, surveys, engineering services and reports, development services and all other reports or services performed at Buyer's request.

7. Closing:

The Closing shall take place as provided in the PSA, no later than 30 days after the end of the Due Diligence Period.

8. Closing Costs:

a. The Seller shall bear the expense of a standard owner's title insurance policy on the TBD Lot for the benefit of Buyer. All other closing costs will be divided equally between the Parties. Each party shall be responsible for their own legal fees. Buyer is responsible for the payment for all fees and costs related to the due diligence performed during the term of the PSA.

b. At closing, Seller shall execute a promissory note in the amount of \$2,000,000 (two million dollars) of which \$1,000,000 (one million dollars) shall be due on or before January 1, 2026 and \$1,000,000 (one million dollars) due upon the Buyer's substantial completion, as determined by the Buyer, of the improvements required by the Subdivision Process.

9. Title

Upon the tender of the Purchase Price at Closing and satisfaction by the Parties of the terms and provisions of the PSA, the Seller shall transfer and convey the TBD Lot to the Buyer by general warranty deed free from any and all liens, claims, encumbrances or other defects of title, except those specific exceptions, if any, described by reference to recorded documents as reflected in the title documents accepted by Buyer in accordance with the PSA.

10. Contingent upon:


The PSA, when executed, and the obligation of the Buyer to proceed under its terms and conditions is expressly contingent upon the approval by resolution of the City Council of the City of Grand Junction. If not obtained on or before 60 days after the completion of the Subdivision Process, the Purchase and Sale Agreement shall be void and of no effect; and/or, the PSA, when executed, and the obligation of the Buyer to proceed under its terms and conditions is expressly contingent upon the execution of a PSA with the Colorado Affordable Housing Financing Fund (CHFA) and Office of Economic Development and International Trade (OEDIT).

11. Termination:

If the Parties are unable to agree to the terms of the PSA, either party may terminate this Letter of Intent upon 7 days' prior written notice to the other party.

This letter of intent is an expression of interest only, and neither party shall have any legal obligations to the other unless and until a binding PSA is executed and delivered by the Parties. This letter is intended solely for the purpose of setting forth the basic terms upon which Buyer would be willing to proceed to develop a PSA.

Regards,



City Manager

pc:

John Shaver, City Attorney



Doug Simpson
President
Eustrom Candies, Inc.

4/3/2024