

JAR07EVE

TYPE OF RECORD:	NON-PERMANENT
CATEGORY OF RECORD:	CONTRACT
NAME OF CONTRACTOR:	REED MITCHELL
SUBJECT/PROJECT:	LETTER OF INTENT REGARDING JARVIS PROPERTY FOR EVENT CENTER
CITY DEPARTMENT:	ADMINISTRATION
YEAR:	2007
EXPIRATION DATE:	12/31/09
DESTRUCTION DATE:	01/16

December 21, 2007

Reed Mitchell
627 24 ½ Road, Suite A
Grand Junction, CO 81505

Via e-mail and United State Postal Service

Re: Letter of Intent Regarding Property for Event Center

Dear Reed,

I am pleased with the progress that our discussions have taken so far and believe that it is now time to reduce some of those matters to writing. Set forth below is an outline of the proposed terms and conditions for your use of a portion of the City's Jarvis property for an event center. The construction and development of the event center will be referred to herein as "the Project" or "Project."

As you know, the Jarvis property is comprised of approximately 66 acres of which approximately 20 would be used for the building and parking area that will comprise the Project. It is possible that some of the property may be used for an outdoor arena and/or equestrian facilities. As you also know, if the Project is constructed on the Jarvis property some of the parking may be located in the 100 year floodplain. Because of the proximity of the Project to the Colorado River, certain engineering and/or floodplain modifications and certifications will be required. One such process is the Letter of Map Revision (LOMR) which is accomplished through the Federal Emergency Management Agency (FEMA). That process should be possible to complete in 12 or so months. If the engineering and/or floodplain certification proves too costly or otherwise presents obstacles that can not be reasonably overcome, then the Project will need to find a new site. While the City has reason to believe that the engineering and/or floodplain problems may reasonably be mitigated, if the same are not then the City shall not be liable to you for any cost or expense you incur and/or for any lost profit, lost advantage or lost opportunity that occurs because the Project does not proceed.

In support of the Project you have provided me with a copy of certain written materials describing the facility. Those materials, which include but are not limited to a letter dated September 26, 2007 addressed to you from the United States Department of Agriculture and a prospective financial report and accountants' statement dated September 22, 2007 have been reviewed by me and others in the City. Those materials are incorporated by this reference as if fully set forth. Because the representations made therein are essential to the formation of a working relationship between you and the City, the City has and will continue to rely on the information that you have supplied as being complete and accurate. You must update the City if or as the information changes. The City will also rely on any oral

representations that you make or have made regarding the Project and your commitment to carry out agreements pertaining to it.

This letter sets forth certain terms which shall serve as the basis for a binding written real estate contract between the parties. The contract, which will be subject to ratification by the City Council, may be either for the rental or the sale of some portion of the Jarvis property that would be suitable for the Project. If the property is leased certainly we will subordinate our interests as reasonably necessary or required by Project financiers. In order to ensure that the Project is operated as a public amenity the City will expect that the contract contain an option for the City to reacquire the property.

This letter reflects the present understanding of the parties regarding some basic terms of the forthcoming contract. It further evidences the desire of the parties to reach a final and complete contract, but does not constitute, nor may it be construed to constitute, a contract at this time. This letter shall be superseded by the contract between the parties, if any. In the event that a contract is not executed by the parties, this letter, at the option of either party to the letter, may be rescinded, revoked and canceled and of no further effect. Nothing herein may be deemed to 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 letter.

Subject to the foregoing, the City is prepared to contract with you as follows:

- 1) The City shall convey either by sale or lease no less than 20 acres of the Jarvis property to you or an entity that you form for the purpose of constructing the Project, including performing any and all diligence necessary in anticipation of construction. The City will provide reasonable assurances and warranties that the site meets all applicable environmental regulations. Specifically, you shall have the right to explore research and confirm the environmental condition of the property and/or ascertain information about the floodplain and/or any other actual or perceived impediments to the development of the site for the Project.
- 2) You will have until December 31, 2009 to complete the construction subject to circumstances beyond your control *i.e.*, acts of God, strikes, delays caused by local, federal or state regulatory approvals. Occupancy and use of the Project shall occur as soon thereafter as regulatory approvals allow. The Project shall be designed, constructed and used as a multi use event venue. The building shall be sized to accommodate up to 8000 spectators. It shall be of good to above average quality construction and to the extent reasonably practicable, it shall use recognized means of energy conservation and “green” building practices.
- 3) The Project shall comply with all applicable City codes, rules and regulations.
- 4) The City reserves the right, upon reasonable request, to review and approve the contract(s) and the proposed covenants, conditions and restrictions and other operational documents for

the Project as it affects the City's duty to comply with affirmative action and other applicable state and local law, codes, rules or regulations.

5) The City may act on the contract only by and through its City Council. The signatures of Laurie Kadrich and/or John Shaver constitute the authorized signatures of staff which you may rely on to be the act of the City of Grand Junction for purposes of this letter of intent.

6) You will manage construction of the Project. The City may offer and you may consider input from the City about the means and methods of construction but you (except as required by applicable law) shall not be bound to act on the same.

a) You shall manage the Project by providing construction management and engineering oversight by a Colorado licensed professional engineer in good standing. The construction management and engineering review and oversight shall be in accordance with the construction plans, generally accepted engineering practices and if applicable, the standards set by the City.

b) The City, by and through its personnel, shall be responsible for preparing, reviewing and approving the site plan for the Project. Site plan review and approval shall be in conformance with City code. The parties understand and agree that time is of the essence and accordingly the City agrees to prosecute the work in a timely manner.

7) The City will agree subject to final terms that mutually acceptable to both parties, to maintain the landscaping for the Project. You shall install and maintain the landscaping until it is established.

If the general terms and conditions set forth above are acceptable to you, please sign and date the enclosed copy of this Letter and return the same to us on or before December 31, 2007. If I may be of assistance or should you need further clarification, please do not hesitate to call.

OFFICE OF THE CITY ATTORNEY

by: _____


John P. Shaver

City Attorney

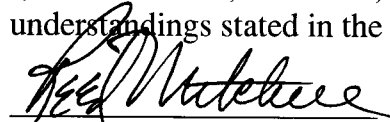
250 N. 5th Street

Grand Junction, Colorado 81501

pc: City Manager Laurie Kadrich

Acknowledgement and Acceptance

I, Reed Mitchell, have read, understand and agree to the terms, agreement and understandings stated in the foregoing letter of intent.

 12-29-07
Reed Mitchell date