

February 15, 2018

Buena Vida LLC
c/o Jennifer R. Taylor
115 N. 5th Street, Suite 403
Grand Junction, CO 81501

Re: Riverfront at Dos Rios

Dear Jen,

I am pleased with the progress that our discussions have taken so far and am reducing some of those thoughts to writing. Set forth below is a framework of some of the important concepts that we have discussed regarding your possible use/development of a portion of the City's Riverfront at Dos Rios (f/k/a Jarvis) property for a cantina and campground, the construction and development of which will be referred to herein as "the Project" or "Project."

You have requested, and I am supportive of the idea, that the City sell and/or lease to Buena Vida up to 10 acres for the Project. We understand that some of the property may be used for outdoor activities such as food and alcohol service, camping, lounging, recreation and relaxation. As we also understand some of the Project is presently contemplated to be constructed in the 100-year floodplain. Because of the proximity of the Project to the Colorado River, certain engineering and/or floodplain modifications and certifications may be required. If the engineering and/or floodplain certification proves too costly or otherwise presents obstacles that cannot be reasonably overcome, then the Project as presently contemplated may need to be modified. 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 Buena Vida or you personally for any cost or expense incurred and/or for any lost profit, lost advantage or lost opportunity that occurs because the Project does not proceed or proceeds with different design, construction or use(s) than intended.

In support of the Project Buena Vida will provide certain written materials describing the anticipated development. Because the representations made therein are essential to the formation of a working relationship between Buena Vida and the City, the City will rely on the information as being complete and accurate; please update the City if or as the information changes.

This letter sets forth certain terms which may serve as the basis for a binding, written contract between the City and Buena Vida once the property for the Project has been platted and/or fully and lawfully described. The contract, which will be subject to ratification by the

City Council, may be for the lease or the sale of a portion of property that would be suitable for the Project. If the property is leased, I will recommend to the City Council that the City consider subordinating its interests as reasonably necessary or required by Project financiers. To ensure that Project operations on the leased parcel are/remain consistent with the lease, the City will require that the lease not be assignable without the City's consent except in connection with Buena Vida's leasehold financing. If you do not develop that portion of the property sold to/for the Project and for a period of 5 years following development, the City shall have a first right of refusal to reacquire some or all the property offered for sale.

This letter reflects the present concepts for the Project: final and complete agreements will need to be negotiated. This letter does not constitute, nor may it be construed to constitute, an enforceable agreement at this time. This letter shall be superseded by a contract and/or lease between the parties, if suitable terms are negotiated. 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, I will recommend to the City Council: 1) conveying either by sale and/or lease up to 10 acres of the property to Buena Vida LLC for purposes of constructing and operating the Project. The price we have discussed would be no less than \$1000.00 and no more than \$10,000.00 per acre with the final price being set by the City Council in relation to a financial plan to be developed and agreed to by Buena Vida and the City and approved by the Council. In general, that plan will provide for a development fee to be imposed and collected by Buena Vida and paid to the City for a term of twenty-five years on both the commercial and camping/lodging activity conducted on property. Preliminary discussions have been of amounts of 50 cents to 10 dollars on certain, specified and agreed upon transactions. More detailed modeling will be required but the concept is intended to be similar to a development fee or investment recapture fee; and 2) assisting, subject to available funding and appropriation by the City Council, with the construction of water, sewer and road infrastructure to serve the Project.


Subject to the foregoing, Buena Vida will: 1) design, construct and operate the Project in accordance with all applicable development regulations; 2) perform any and all diligence necessary in anticipation of any and all construction - the City provides no warranties that the site meets all applicable environmental regulations, standards or is suitable of the purpose(s) of the Project - the same must be determined by and to the sole satisfaction of Buena Vida. Buena Vida 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; and 3) pay the agreed upon price and adhere to the terms of the financial plan. Buena Vida will have until December 31, 2018 to complete the site diligence and close on the property and until March 31, 2019 to design the Project and establish with the City the development fee. Construction of the Project is anticipated to be to complete by June 30, 2020. Occupancy and use of the Project may occur as soon thereafter as regulatory approvals allow.

Buena Vida will responsible to manage all aspects 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. Buena Vida will oversee the Project, including the due diligence, by employing a Colorado licensed professional engineer in good standing or other qualified professional in good standing as necessary or required for the Project. The City, by and through its personnel, shall be responsible for preparing, reviewing and approving the plans for the public infrastructure design/construction necessary for the Project. We understand and agree that time is of the essence and accordingly the City agrees to timely review any/all planning submittals.

We are excited by your concept and vision. If I have captured the concepts that we have discussed, please sign and date the enclosed copy of this letter and return the same to me at your earliest opportunity so we have record of the conversations and a place from which to continue negotiations.

Please do not hesitate to contact me if you have questions or wish to discuss any of these matters further.

Sincerely,



Greg Caton
City Manager

Ec: John Shaver, City Attorney
Tamra Allen, Community Development Director
Randi Kim, Utilities Director
Trent Prall, Public Works Director
Jodi Romero, Finance Director

Acknowledgement and Acceptance



Jennifer R. Taylor
Buena Vida LLC

member

Date: 3/1/2018