

LETTER OF INTENT TO PURCHASE LAND

THIS LETTER OF INTENT (the “Letter”) made as of this _____ day of _____, 2015 (the “Execution Date”)

BETWEEN:

SALIDA NATURAL RESOURCE CENTER DEVELOPMENT CORPORATION (the “Seller)

-AND-

LOWRY/LCI (the “Purchaser”)

BACKGROUND:

A: The Seller is the owner of the undeveloped land (the “Property) located on the Vandaveer Ranch site that is available for sale.

B: The Purchaser wishes to purchase undeveloped land from the Seller.

This Letter will establish the basic terms and conditions to be used in a future real estate purchase agreement between the Seller and the Purchaser. The terms and conditions contained in this Letter are not comprehensive and it is expected that additional terms may be added and existing terms may be changed or deleted. The basic terms are as follows:

Non-Binding

This Letter does not create a binding agreement between the Purchaser and the Seller and will not be enforceable. Only the future real estate purchase agreement, duly executed by the Seller and the Purchaser, will be enforceable. The terms and conditions of any future real estate purchase agreement will supersede any terms and conditions contained in this Letter. The Seller and the Purchaser are not prevented from entering into negotiations with other third parties with regard to the subject matter of this Letter.

Council Approval

All of the terms and conditions of this Letter and any future real estate purchase agreement are subject to final approval of the Salida City Council.

Transaction Description

Purchaser has approached the Seller regarding the purchase of the Property, approximately 20 acres of land and 11.5 acres of open space within the Vandaveer Ranch site owned by the Seller. The Property is not currently connected to city water and sewer. The cost of installation of utilities has proven detrimental to the sale of lots owned by the Seller. Purchaser has agreed to install water and sewer mains under Highway 50 and along CR 104 extending to CR 107 to deliver water and sewer to Purchaser’s planned development and allow future developers of lots on the Vandaveer site to connect to the water and sewer lines installed by Purchaser.

Terms and Conditions

The following terms and conditions must be resolved to the satisfaction of the Seller and the Purchaser prior to the parties entering into a real estate purchase agreement:

1. It is anticipated that the Purchaser will not deliver cash for the sale of the property. The Seller will transfer the Property to Purchaser in exchange for the installation of utilities and improvements described herein subject to value determination in Section 6 below;
2. The Purchaser will provide a 60' dedicated right of way with a street paved to city standards, city standard utilities and a detached gravel trail. All improvements will be constructed in accordance with the City Of Salida Standards and Specifications. The roadway connecting CR 104 and CR 107 will not have curb, gutter or sidewalk installed in keeping with the rural character of the Property;
3. Purchaser may phase improvements as the subdivision develops, subject to review and approval through the established subdivision review process;
4. The sewer and water mains must be routed under State Highway 50 to access the Property at the expense of Purchaser. Any such routing is subject to approval by the Colorado Department of Transportation;
5. Purchaser will install approximately 1,700' of new 10' graveled trail along southern edge of the South Arkansas River from the pedestrian bridge to the Snyder property and the road connecting CR 104 and CR 107. This will include cleaning up existing trees, trash and debris in the river bottom area;
6. The Seller will have an independent engineer verify the value of all utility extensions and improvements to be installed by Purchaser to a point 100' west of Highway 50. If such estimate determines that the value of the utility extensions and improvements are lower than the appraised value of the Property, then Purchaser will pay to Seller any difference between the value of utility extensions and improvements and the appraised value of the Property;
7. The parties agree to an updated appraisal once the final lot locations and areas have been determined;
8. The parties will determine the terms and conditions under which a future purchaser of adjacent lots on the Vandaveer Ranch site can tie into utilities installed by Purchaser. Any cost recovery for connecting to utilities installed by Purchaser between CR 104 and CR 107 will benefit Purchaser;
9. The Purchaser will conduct any necessary due diligence regarding shifting of uses in the Overall Development Plan, subdivision and zoning of the Property;
10. The Seller will verify with Seller's lender that Seller's lender will approve the sale of the property to Purchaser and determine if Seller's lender requires any specific conditions on the sale; and
11. The Purchaser's proposed installation of utilities and improvements to the Property must be able to support Seller's anticipated programming for the remainder of the Vandaveer

Ranch site including but not limited to future light industrial, residential, recreational and open space uses.

This letter hereby states the major terms of an agreement between the Seller and the Purchaser. This Letter is in no way a legally binding agreement between the Seller and the Purchaser to purchase the Property.

SELLER:

PURCHASER:

Signed: _____

Signed: _____

—

—

Name: _____

Name: _____

—

—

Title: _____

Title: _____

—

—

Company: _____

Company: _____

—

—