

LETTER OF INTENT

This non-binding Letter of Intent ("LOI") entered into this 25th day of April, 2022 shall form the basis for the preparation of a binding Purchase and Sale Agreement ("PSA") relative to the purchase by Full Plate Management, LLC or assigns ("Purchaser") of 101 E. Riverwalk Place. Condominium Unit 1A and condominium Unit 1B ("Units") (hereinafter referred to as the "Property") from the seller City of Pueblo ("Seller"). The following general terms and conditions will be applicable to the said purchase:

1. **Purchase Price.** The Purchase Price for the Property shall equal \$1,102,500 and shall be allocated \$490,000 to Unit 1B and \$612,500 to Unit 1A. A separate PSA shall be prepared for the purchase of each Unit.
2. **Earnest Money Deposit.** Upon the execution of a formal PSA for each Unit, Purchaser will place in escrow with a title company of the Seller's choosing (the "Title Company") the sum of \$25,000.00 as an Earnest Money deposit, split equally between each Unit (\$12,500 per Unit). If Purchaser does not terminate the Purchase Agreement during the Due Diligence Period, then the Earnest Money shall become non-refundable and shall be paid to the Seller..
3. **Information to be Provided by the Seller.** After the execution of the PSA, Seller will deliver, or cause to be delivered, to Purchaser, at Seller's expense, the following documents and information related to the Property:
 - a. A current Title Commitment covering the Property (one per Unit) issued by the Title Company, together with legible copies of all documents creating any liens, encumbrances, easements, restrictions or other exceptions to title listed in the Title Commitment.
 - b. A current recorded Condominium Plat sufficient to enable the Title Company to issue an Owner's Title Policy to Purchaser at Closing.
 - c. The Property was not constructed by Seller and therefore Seller is not in possession of engineering reports, environmental reports (with accompanying No Further Action letters from applicable governmental entities, if needed), soil reports, topographical surveys, traffic reports, zoning ordinances, site plans, construction drawings, as-built Building plans, or other similar reports and studies relating to the Property. Said documents may be in the possession of the Professional Bulls Riders, Inc. which constructed the Property and currently occupies other condominium units.

- d. Seller covenants that no construction work has been performed on the Property in the last 12 months.
- e. The Property was conveyed to the Seller by Professional Bull Riders, Inc. in 2012 and has been vacant since then. Operating statements covering the Property for the current year and for the immediately preceding three calendar years are not in the possession of the Seller.
- f. Copies of ad valorem tax statements and property insurance statements covering the Property for the current year, if available, and for the immediately preceding three calendar years are not in the possession of the Seller.

The Title Commitment will be delivered to Purchaser within fifteen (15) days after the execution of the PSA, and the other items in the possession of the Seller will be delivered to Purchaser within five (5) days after the execution of the PSA.

4. **Purchaser's Due Diligence Period and Site Plan Approval Period.** Purchaser shall have a period ending ninety (90) days after the effective date of the PSA ("Due Diligence Period") within which to arrange for financing for the property, conduct a physical inspection of the Property and such other inspections, tests, investigations and feasibility studies as Purchaser may deem necessary or advisable in connection with its purchase and planned Project. Purchaser reserves the right to extend the Due Diligence period for up to two (2) additional thirty (30) day extension periods by depositing an additional \$10,000.00 in non-refundable Earnest Money with the Title Company (\$5,000.00 per Unit) for each thirty (30) day extension.

Purchaser may elect to terminate the PSA for any reason, in its sole discretion, at any time during the Due Diligence period, and, if Purchaser so elects to terminate the PSA, the refundable portion of the Earnest Money deposit shall be refunded to Purchaser and Purchaser and Seller shall have no further rights or obligations under the Purchase Agreement. Otherwise, the Earnest Money shall be non-refundable after expiration of the Due Diligence Period.

5. **Title Review.** The Purchase and Sale Agreement will contain customary provisions for Purchaser to deliver notice of any title objections to Seller, and will afford Seller an opportunity to cure Purchaser's title objections. Any outstanding mortgages, assessments and other liens against the

Property will be satisfied and discharged by Seller at Closing, with any related costs to be paid by Seller.

6. **Closing.** The Closing will take place thirty (30) days after the expiration of the Due Diligence period.
7. **Conditions to Closing.** Purchaser's obligation to close its acquisition of the Property under the Purchase agreement will be subject to the following conditions:
 - a. Issuance of an Owners Title Policy subject only to the exceptions approved by the Purchaser.
 - b. Approval of the use as a Child Care Center by the HARP Board and the Pueblo City Council.
 - c. There will be no material and adverse change in the condition of the Property.
 - d. Seller's representations and warranties under the Purchase Agreement will be true and correct in all material respects as of the Closing date.
8. **Assignment.** Purchaser shall have the right to assign the Purchase Agreement to any entity, either controlled by or under common control with Purchaser (including a limited partnership whose general partner is controlled by or under common control with Purchaser), or any other unrelated entity.
9. **Brokerage Disclosure.** In accordance with the Colorado Real Estate Commission, this confirms that Nathan Stern and Zach Cytryn of Fuel & Iron Realty represent the Purchaser and are not acting as agents or subagents of the Seller.
10. **Disclaimers.** IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE (OTHER THAN SELLER'S SPECIAL WARRANTY OF TITLE TO BE SET FORTH IN THE SPECIAL WARRANTY DEED), ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITION (INCLUDING, BUT NOT LIMITED TO, HAZARDOUS MATERIALS CONTAMINATION), UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, OR ANY OTHER MATTER OR THING REGARDING THE PROPERTY.

PURCHSER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS."

11. **Nature of this Letter of Intent.** This Letter of Intent is a non-binding expression of interest. It is understood and agreed that neither party shall be legally bound to the other, unless and until, the terms and conditions relating to this transaction are negotiated and incorporated into the Purchase and Sale Agreement, as signed by both parties.

12. **Counterparts.** This Letter of Intent may be executed in one or more counterparts, each of which will be deemed an original copy of this Letter of Intent.

If the general terms and conditions set forth above are acceptable, please indicate by signing this Letter of Intent in the space provided below. Upon our receipt of a signed copy of this Letter of Intent, Seller's attorney will prepare a draft of the Purchase and Sale Agreement for subsequent review by the parties prior to execution.

ACCEPTED AND AGREED:

SELLER:

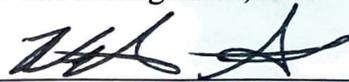
CITY OF PUEBLO, CO
A MUNICIPAL CORPORATION

By: _____
Mayor

ATTESTED BY: _____
City Clerk

PURCHASER:

Full Plate Management, LLC

By:  _____
Manager