

**LETTER OF INTENT FOR SALE  
OF REAL PROPERTY**

November \_\_\_\_, 2012

IPCO Development  
640 Tolman Creek Road  
Ashland, OR 97520

Re: Purchase of Property for Right of Way between Washington Street & Tolman Creek Road

Dear \_\_\_\_\_:

By this letter, City of Ashland ("Buyer"), presents the manner in which it and IPCO Development ("Seller") agree Buyer may acquire certain real property from Seller as described herein. The parties recognize that the transaction will require further documentation and approvals, including the preparation and approval of a formal agreement setting forth the terms and conditions of the proposed purchase (the "Purchase Agreement"); nevertheless, they execute this letter to evidence their intention to proceed in mutual good faith to complete work required to negotiate terms of a Purchase Agreement that are consistent with this letter.

The proposed terms and conditions include, but are not limited to, the following:

- 1. Property.** Buyer will purchase from Seller all interests and rights, owned or used by Seller in connection with an approximate 55 feet wide strip of private property between Washington Street & Tolman Creek Road as further described in Exhibit A, (the "Property"). The Seller acknowledges that the Buyer intends to establish this property as a dedicated right-of-way ("ROW") through the current IPCO Development property. This new ROW would parallel and offset approximately 10 feet to the north of the centerline of the existing Washington Street ROW.
- 2. Consideration.** The consideration (the "Purchase Price") will be established pursuant to appraisal by an appraiser selected and paid by the Buyer and subject to reasonable negotiations with Seller. Buyer will not assume any other liabilities or obligations of Seller over other property adjacent to or previously part of parcel or lot through which the Property, as a right-of-way, runs, and Seller will indemnify and hold harmless Buyer against all such other liabilities and obligations.
- 3. Purchase Agreement.** The transaction will be subject to the negotiation and execution of a definitive Purchase Agreement with terms satisfactory to Seller and Buyer. The Purchase Agreement will contain representations, warranties and covenants, conditions that are reflected in the IPCO Development conceptual site plan scheme #14 (11-13-13) Exhibit A (attached) and will include without limitation the following:
  - (a) The Buyer proposes, subject to planning approval, to build, own, and maintain this approximately 700 feet long, 28 feet wide paved road with curb, "park row", and 8 feet wide sidewalks on the north side of street. Buyer agrees to allow seller to credit park row landscape for sellers required landscape associated to any future development on said property. In addition, buyer will install irrigation system and pay water bill in public park row.

- (b) The Buyer will construct and maintain a stream crossing structure over Hamilton Creek, to support the new roadway and sidewalk. The crossing structure will be designed to meet or exceed the most current storm water quality mitigation requirements and standards. Riparian restoration of the creek bed and banks will be included to the maximum extent practicable.
  - (c) The Buyer will relocate existing utilities as required, without diminishing utility services quality to the development, including water pressure, electric power, and sewer service line to property line at a location designated by the property owner with proper access to all locations. This shall not be charged back to seller.
  - (d) The Buyer will assist the development to adjust the location of the existing conservation easement across private property to the match the new FEMA flood map and Ashland Water Resources Protection Ordinance boundaries. If allowed by FEMA, the Buyer will allow building E as shown with parking at the southeast corner with utility and road access over that area.
  - (e) The Buyer will allow the development to use any land recovered and to use the area over the existing pipe culvert, as deemed appropriate by FEMA, and allow the development to clean out and maintain blackberry and weed infested areas and use these areas for landscape credits.
  - (f) Assist the development in preparing a master plan that will include parking and driveways in specified locations to be formally submitted for planning review through the City's planning process. The associated City planning costs will be paid by the Seller. The Buyer anticipates that the process will include the following steps:
    - a. Submit pre-application for Preliminary Site Layout.
    - b. Draft conservation easement boundary adjustment & delineate "water protection zone."
    - c. Draft right-of-way dedication survey documentation.
    - d. Obtain property owner concurrence RE: ROW dedication & easements.
    - e. Obtain Planning approval for variances.
    - f. Obtain City Council approval RE: ROW dedication & easements.
    - g. Engineering Design & Permitting.
    - h. Planning Approval for Environmental Constraints.
    - i. Site Plan approvals.
  - (g) The Buyer agrees to work with the Seller during engineering phase of project to ensure final grades will accommodate ingress and egress on the Seller's driveways in order to minimize impacts of steep grades as much as possible.
  - (h) The Seller can continue to drain storm water into Hamilton Creek as long as current state, federal and local storm drain regulations are met.
- 4. Access.** To permit Buyer to conduct its due diligence investigation, as long as this letter remains in effect, Seller will permit Buyer and its agents to have reasonable access to the Property for purposes of surveying and planning for the use and design of the Property.

**5. Conditions to Closing.** The closing of the transaction will be subject to certain conditions, including without limitation the following:

- (a) Funds for the purchase of said land are subject to the buyer successfully securing a grant to purchase the Property.
- (b) All required approvals, consents, and authorizations of state and federal regulatory authorities shall have been received.
- (c) All required consents of third parties shall have been received.
- (d) Buyer shall have completed a due diligence review of the property and its title of Seller satisfactory to Buyer in its sole discretion.

The Buyer, as the City, may be required to make make land use and/or building code decisions affecting development of the subject Right-of-Way and related property according to local and state laws. The Parties therefore acknowledge that the Buyer cannot and does not promise or guarantee any particular planning or building code decision or result as part of or as a condition of achieving the purposes of this letter of intent.

**6. Negotiations with Others.** Until \_\_\_\_\_, \_\_\_\_\_, the date on which the parties anticipate that a Purchase Agreement will be executed, Seller will not offer its stock or assets to, entertain offers for them from, negotiate for their sale to, or make information about them available (for purposes of sale) to, any third party.

**7. Conduct of Business; Interim Operations.** As long as this letter remains in effect, Seller will use its best efforts to conduct its business in a reasonable and prudent manner in accordance with past practices, to preserve its existing business organizations and relationships with its employees, customers, suppliers, and others with whom it has a business relationship, to preserve and protect its properties, avoid any and all liens, and to conduct its business in compliance with all applicable laws and regulations.

**8. Closing Date.** The closing date under the Purchase Agreement will be \_\_\_\_\_; \_\_\_\_\_, or such other date as may be agreed on by the parties.

**9. Effect of This Letter.** This letter sets forth the intent of the parties only, is not binding on the parties, and may not be relied on as the basis for a contract by estoppel or be the basis for a claim based on detrimental reliance or any other theory; provided that paragraphs 6 and 7, and this paragraph 9 will be enforceable in accordance with their terms. With the exceptions of paragraphs 4, 6, 7, and this paragraph 9, the parties understand that no party shall be bound until the Purchase Agreement has been negotiated, executed, delivered, and approved by the partners or shareholders of Buyer and Seller, as the case may be.

**10. Termination of Negotiations.** This letter may be terminated at any time by either party giving written notice to the other. After notice is given, the parties shall be bound only by paragraphs 6, 7, and 9.

If this letter sets forth your intent to proceed in good faith substantially in the manner outlined in this letter, please sign a copy of this letter and return it to Buyer. This letter of intent shall be of no further force and effect if it is not signed by Seller and returned to Buyer by the close of business on \_\_\_\_\_, 2012.

Very truly yours,

By: \_\_\_\_\_

Buyer

Accepted and agreed to:

By: \_\_\_\_\_

Seller

<b>Project #:</b> R25	<b>Washington Street Extension to Tolman Creek Road</b>
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**Description:** Extend Washington Street to Tolman Creek Road. Coordinate project with IAMP Exit 14 Access Management on Ashland Street (OR 66) and surrounding development. Right-of-way costs are not included in the cost estimate.

<b>Category:</b> Roadway	<b>Functional Classification:</b> Neighborhood Collector	<b>Time Frame:</b> Development & Access Management Driven	<b>Engineering and Construction Cost:</b> \$1,015,000
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**Project Goals Met:**

Create a Green Template <input type="checkbox"/>	Improve Safety <input type="checkbox"/>	Facilitate Economic Growth and Maintain Small Town Character <input checked="" type="checkbox"/>	Balance Mobility and Access <input checked="" type="checkbox"/>
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**Project Location:**



**Project Image:**



