

**LETTER OF INTENT TO PURCHASE
THE ARCHULETA COUNTY COURTHOUSE BUILDING, PAGOSA SPRINGS, COLORADO**

This LETTER OF INTENT (“LOI”) is submitted as of February 22, 2021 by Olympus Real Estate Holdings, Ltd a limited partnership, and affiliates or assigns (“Buyer”), to the Archuleta County Commissioners and County staff (“County”). Buyer and County may be referred to as the “Parties”.

SUMMARY OF OFFER

The County desires to sell the property, buildings and all related rights thereto located at 449 San Juan Drive, Pagosa Springs, Colorado 81147, more commonly known as the “courthouse building” (“Courthouse”), and eventually create a new administrative office solution for county staff (“New County Buildings”). In June, 2020 the County published an initial Invitation for Bids to purchase the Courthouse and provide a New County Building. The County has also indicated that it will need to use the Courthouse for operations until such a time as a New County Building has been constructed.

Based on the information shared by the County over the past eighteen (18) months, it is the Buyer’s understanding that the County’s priorities are:

1. To maximize the cash received by the County from a sale of the Courthouse, and
2. Provide adequate time for the County’s continued use of the Courthouse for existing County functions, while a solution for the New County Building is completed.

Buyer is submitting this LOI with the intention of addressing both of the County’s priorities. The Buyer is offering to purchase Courthouse and lease back to the County the office space that it currently uses. In addition, if the County desires not to sell the Courthouse immediately due to any outstanding obligations, the Buyer will lease the unused portions of the Courthouse from the County until such a time as the County can sell the Courthouse, providing further revenue to the County.

Purchase:

1. **Purchase Price.** \$600,000, cash at closing.
2. **Purchase Consideration.** In combination with the sale and transfer of the Courthouse at the price described above, the County will also provide:
 - a. A fee-waivers for dumping costs at the County landfill.
 - b. Waiver, abatement or rebate of the County’s portion of real estate property taxes on the Courthouse property for 10 years following the close of the sale.
3. **Buyer Lease Prior to Closing.** If the County is unable to sell the Courthouse immediately, or otherwise desires to delay the closing, the Buyer will have the option to lease the unused space in the Courthouse for \$2,500/month until the sale can be completed.

County Lease-back of Courthouse: To ensure the availability of office space and reduce operational disruption of the County’s offices currently located at the Courthouse, following the sale the Buyer will lease-back to the County that portion of the building currently used for Clerk/Assessor/Treasurer functions for up to 5 years.

4. **County Lease-Back Rate.** County will lease-back the space it currently uses under a triple net (NNN) lease for \$0/sf/month for the first year, then for \$0.75/sf/month in years 2-5.
5. **Lease-back Term.** The Lease will run for two years, with an option to extend for up to five (5) years.

Buyer will also work with County to determine if land that Buyer, or an affiliate, owns in Pagosa Springs are viable options for the New County Building, and if they are will make such land available for purchase at fair market value.

This LOI outlines the terms under which the Buyer proposes to purchase the Courthouse. If accepted, it would serve as the basis for, and in furtherance of the execution of the purchase contract and other agreements necessary to complete the sale of the Courthouse.

APPROVED AND ACCEPTED:

Olympus Real Estate Holdings, LTD (Tenant/Buyer)

By: 

Name: David Dronet

Its: Manager of the General Partner

Archuleta County (County/Landlord/Seller)

By: _____

Name: _____

Its: