

BOARD OF COUNTY COMMISSIONERS FOR
ADAMS COUNTY, STATE OF COLORADO

RESOLUTION APPROVING A NON-BINDING LETTER OF INTENT BETWEEN ADAMS
COUNTY AND IBC DENVER VIII LW IV, LLC, FOR A PORTION OF THE PARK 12
HUNDRED PROPERTY AT 1200 WEST 120TH AVENUE

Resolution 2014-173

WHEREAS, Adams County wishes to purchase property to develop into a regional services center for various Human Services Department and related functions; and,

WHEREAS, Adams County has identified an approximately twenty-three acre parcel located at 1200 W. 120th Avenue (the "Property") that is conveniently located for Human Services' clients and that is currently planned for re-development; and,

WHEREAS, Adams County and the property owner, IBC Denver VIII LW IV, LLC, have discussed the general framework for Adams County to purchase the Property and that framework is memorialized in the attached Non-Binding Letter of Intent; and,

WHEREAS, once the Non-Binding Letter of Intent is fully executed, the parties will work on drafting a formal purchase contract for the Property based on the terms stated in the Non-Binding Letter of Intent.

NOW THEREFORE BE IT RESOLVED, by the Board of County Commissioners of the County of Adams, State of Colorado, that the Non-Binding Letter of Intent between Adams County and IBC Denver VIII LW IV, LLC, a copy of which is attached hereto, be and hereby is approved.

BE IT FURTHER RESOLVED that the Chairman is authorized to execute said Non-Binding Letter of Intent on behalf of Adams County.

Upon motion duly made and seconded the foregoing resolution was adopted by the following vote:

Henry _____ Aye
Tedesco _____ Aye
Hansen _____ Aye
Commissioners

STATE OF COLORADO)
County of Adams)

I, Karen Long, County Clerk and ex-officio Clerk of the Board of County Commissioners in and for the County and State aforesaid do hereby certify that the annexed and foregoing Order is truly copied from the Records of the Proceedings of the Board of County Commissioners for said Adams County, now in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County, at Brighton, Colorado this 21st day of April, A.D. 2014.

County Clerk and ex-officio Clerk of the Board of County Commissioners
Karen Long:



By:



Deputy



April 9, 2014

via Email

Mr. Jason Addlesperger
Executive Managing Director
Newmark Grubb Knight Frank
1800 Larimer Street, Suite 1700
Denver, CO 80202

Subject: Adams County, Colorado – REVISED Letter of Intent Regarding the Purchase of a Portion of Park 12 Hundred at 1200 West 120th Avenue in Westminster, Colorado

Dear Jason:

As exclusive Buyer's Agent for Adams County, Colorado Guidance Corporate Realty Advisors provides you with the following **REVISED** general terms and conditions under which Adams County, Colorado, ("Purchaser"), would consider the purchase of a portion of Park 12 Hundred, including the land and all improvements (the "Property") located at 1200 West 120th Avenue in Westminster, Colorado.

If agreement were reached around key business terms and the decision were made to move forward, then the proposed terms of the purchase transaction would be incorporated into a Purchase Contract to Buy and Sell Real Estate (the "Purchase Contract").

Property/Address	1200 W. 120 th Avenue, Westminster, Colorado 80234
Building Seller	IBC Denver VIII LW IV LLC, a Delaware limited liability company (the "Seller")
Size/Area	<p>The Property includes one (1), three (3) story office building, in cold shell condition, totaling approximately two hundred ninety seven thousand one hundred seventy two (297,172) square feet, (the "Building"), as well as existing and future Building and Site Work described in the attached Exhibit III, plus any rights of Seller appurtenant to the real property in streets, ways, alleys passages, road easements, and all development approvals or entitlements related to the Property, if any.</p> <p>The Property is in the process of being subdivided and will be delivered, at Seller's sole cost, with a new plat and separate legal description, as generally depicted on the attached Exhibit I, Adams County, Park 12 Hundred Site Plan, the eastern border of which Site Plan is subject to change.</p> <p>All Building square footage and land areas are subject to verification by Purchaser and are subject to change upon receipt of final platting approval. The Property is currently estimated at 23.44 acres. Notwithstanding the foregoing, Purchaser reserves the right to adjust the Purchase Price if there is a material change in either the Property or Building size. Material change with respect to the Property is any decrease greater than one-tenth of an acre.</p>
Current Status	The Building is currently vacant and Seller represents that no leases are in place, pending, or under negotiation.

Purchase Price The Purchase Price for the Property shall be thirty three dollars and ten cents (\$33.10) per square foot, equal to \$9,836,393.20, subject to adjustment based on verification of Building and Property square footage as noted above.

Earnest Money The Earnest Money Deposit ("Earnest Money Deposit") shall be one hundred thousand dollars and no cents (\$100,000.00), to be deposited by Purchaser into an interest bearing escrow account established by North American Title Company within two (2) business days following the execution and delivery of the Purchase Contract by and between Seller and Purchaser.

Should Purchaser activate its automatic thirty (30) day Inspection Extension Period, as described below, then Purchaser shall increase its Earnest Money Deposit by an additional one hundred thousand dollars and no cents (\$100,000.00), the ("Additional Earnest Money Deposit"). The Additional Earnest Money Deposit shall be deposited with North American Title Company within two (2) business days of Purchaser providing written notice to Seller of activation of the thirty (30) day Inspection Extension Period.

Purchaser shall deposit a final Earnest Money Deposit ("Final Earnest Money Deposit") of an additional ~~three~~ five hundred thousand dollars (\$500,000) within two (2) business days after the expiration of the initial ninety (90) day Inspection Period or the Inspection Extension Period if activated by Purchaser. *TM*

Assignment Purchaser shall have the right to assign the Purchase Contract to another entity created by Purchaser to own and hold the Property, upon the prior written approval of Seller, which approval shall not be unreasonably withheld.

Finance Contingency None. The Purchase Contract shall not be contingent upon Purchaser securing a mortgage for the Property, as Purchaser shall pay cash for this purchase. Notwithstanding the foregoing, Purchaser shall have the right to utilize any type of financing vehicle to purchase the Property.

Inspection Period Purchaser shall have an Inspection Period of ninety (90) days to perform its due diligence activities, including but not limited to: detailed reviews of Property specifications, drawings and plans; reviews of structural, civil, mechanical and electrical issues; review of environmental and/or geo-technical issues; reviews of ALTA survey(s) and title documentation; examination of City of Westminster planning and zoning issues; as well as architectural planning and cost estimating as required for Purchaser's future use and occupancy of the Property.

Notwithstanding the foregoing, Purchaser shall have the right to exercise an automatic thirty (30) day extension of the Inspection Period, (the "Inspection Extension Period"), which may be exercised by Purchaser, should Purchaser require additional time to complete any of its due diligence activities. The Inspection Extension Period shall be exercised by Purchaser providing not less than ten (10) days' advance written notice to Seller prior to the expiration of the initial 90 day Inspection Period. Upon Purchaser's notification to Seller of its activation of the Inspection Extension Period, Purchaser shall

deposit the Additional Earnest Money Deposit with the Title Insurance Company noted above.

Seller shall reasonably cooperate with all due diligence activities deemed necessary by Purchaser and performed by Purchaser's employees, agents, attorneys, vendors and subcontractors.

Upon two (2) business days written notice from Purchaser, and Purchaser providing Seller with evidence of such insurance as Seller may reasonably require, Seller shall allow Purchaser prompt access to the Property for Purchaser's due diligence activities. In addition, Seller shall cause its Project Manager to be available to answer questions and reasonably assist Purchaser with its due diligence activities. Purchaser shall hold Seller harmless against all mechanics' liens and other claims arising as a result of its due diligence activities.

The Inspection Period shall commence upon mutual execution of the Purchase Contract by both Seller and Purchaser.

Seller Deliverables	To facilitate this transaction, Seller agrees to provide Purchaser – within five (5) business days of the mutual execution of the Purchase Contract – all items identified in Exhibit II, Seller Due Diligence Deliverables.
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Appraisal	Purchaser is a governmental entity and is required to secure an independent Appraisal ("Appraisal") that supports the agreed Purchase Price. Purchaser shall secure the completed Appraisal within forty-five (45) days of mutual execution of the Purchase and Sale Agreement by Seller and Purchaser. The Appraisal shall be secured at Purchaser's sole cost. In the event the Property boundaries are changed, Purchaser shall have an additional twenty days from the date it receives notice of the boundary change to update its appraisal and exercise its appraisal contingency.
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The Purchaser's receipt of an independent Appraisal confirming that the Property has a value at least equal to the Purchase Price prior to the expiration of the Inspection Period shall be a contingency item regarding the performance of the Purchase Contract by Purchaser.

Environmental	Purchaser, at Purchaser's cost, may choose to secure a new Phase I Environmental Site Assessment ("Phase I") of the Property. Purchaser may also require a further Phase II Environmental Site Assessment ("Phase II") of the Property; provided however, no soils tests or other invasive testing on the Property shall be permitted without Seller's prior written consent, which consent shall not be unreasonably withheld.
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Seller shall cooperate with Purchaser in providing information as required for new Phase I or Phase II surveys, if required and authorized by Seller. Seller shall also provide Purchaser with a copy of Seller's most recent Phase I or Phase II, if any.

Contingencies	Purchaser shall have the absolute right to terminate the Purchase Contract prior to the end of the Inspection Period, or the Inspection Extension Period, based upon any
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unacceptable results from its due diligence reviews, unacceptable title conditions, failure to obtain an Appraisal that supports the Purchase Price, or for any other reason, at Purchaser's sole discretion. If the Purchase Contract is so terminated by Purchaser prior to the end of the Inspection Period, then Purchaser's Earnest Money Deposits shall be refunded in full to Purchaser without deduction or penalty, Purchaser shall provide Seller with copies of all appraisals or other inspection reports obtained, and the Purchase and Sale Contract shall terminate.

Building & Property Improvements

Seller agrees to deliver as soon as is commercially practicable after Closing, at Seller's sole cost, the items identified in **Exhibit III, Seller Provided Building and Site Work**. Prior to execution of the Purchase and Sale Agreement, Seller will provide a projected schedule for completion of Seller Provided Building and Site Work. Seller agrees that it will use reasonable commercial efforts to meet the projected schedule.

Parking

Seller will deliver, at Seller's sole cost, one thousand two hundred thirty one (1,231) paved surface parking spaces. This parking will be located both in the existing parking lot located west of the Building plus in the newly created surface parking lots located to the south of the Building. At the option of Purchaser, Seller shall deliver up to 130 additional paved parking spaces at a construction cost to be borne by Purchaser of approximately \$225,000. See attached exhibit.

Signage

Prior to the conclusion of the Inspection Period, Purchaser and Seller shall agree on the type, location, and size of all signage. Seller shall cooperate with Purchaser to develop an internal way-finding plan, and to provide site directional signage, thereby enhancing the ability of Purchaser's employees and visitors to utilize the parking lots and pedestrian walkways.

Seller shall coordinate with Purchaser, as may be required, to secure any necessary signage approvals from the City of Westminster.

Interior Architect

Purchaser shall contract directly with interior architect Kieding Office Architects ("Kieding"), to provide space programming, space planning and cost estimating services to Purchaser, thereby allowing Purchaser to confirm the functionality of the Building for its intended uses and to secure preliminary construction cost estimates.

Purchaser shall pay directly for all fees charged by Kieding.

Construction Pricing

Purchaser shall contract directly with general contractor Murray & Stafford, Inc. ("Murray & Stafford"), to provide construction pricing support services including support with developing base building construction costs.

Purchaser shall pay directly for all fees charged by Murray & Stafford.

**Shared Maintenance
Agreements &
Access Easements**

During the Inspection Period, Seller will provide details to Purchaser of the existing shared maintenance agreement and shared access easement, (the "North Maintenance and Access Agreement") that is currently in place with the Avaya building located to the north of the Building. The North Maintenance and Access Agreement expires in July, 2015.

In addition, during the Inspection Period, Seller and Purchaser will negotiate additional shared maintenance agreement(s) and shared access easement(s) (the "South and West Maintenance and Access Agreements") to document required shared access to the south and west parking lots and to define the allocation of costs for certain shared expenses, including, but not limited to: parking lot maintenance, repair and reserves, common area landscaping maintenance, parking lot snow removal, allocation of site lighting utility costs, parking lot security patrols, maintenance of shared way-finding and monument signage, etc.

During the Inspection Period, Seller shall provide other details to Purchaser regarding the planned Site Association agreement, including voting percentages, projected monthly costs, etc.

Property Survey

Seller, at Seller's sole cost, shall provide Purchaser with a new ALTA Property Survey ("ALTA Survey"), prepared by a registered Colorado land surveyor in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys "urban" standards, and including items 1-4, 6, 7(a), 8, 11, 13, 14, 16, 18, 19 and 21 in Table A thereof, from a reputable survey company, in a form reasonably acceptable to Purchaser, and endorsed to Purchaser, Seller and North American Title Company.

The ALTA Survey shall include the new lot lines, notations for future parking lots, parking lot lighting, pedestrian walkways, entrance points, landscape aprons, etc. The ALTA Survey shall be updated, at Seller's expense, upon the completion of all site work required to be installed by Seller after Closing.

Title

Seller shall provide Purchaser with a merchantable title free and clear of all liens and encumbrances, other than the permitted exceptions.

Seller shall furnish Purchaser, at Seller's sole cost, with a current commitment from North American Title Company for an owner's extended coverage title insurance policy with all "standard exceptions" deleted. Purchaser shall have the absolute right to review and terminate the Purchase Contract prior to the end of the Inspection Period based upon any unacceptable title insurance exceptions, or any other unsatisfactory title condition(s).

Zoning/Subdivision Purchaser shall accept the responsibility to review and understand all planning and zoning issues related to the Property. However, Seller represents that it has not received any notices to date of violation(s) or non-compliance from any governmental agency or entity regarding the Property.

During the term of this Letter of Intent and the Purchase and Sale Agreement between Seller and Purchaser, Seller will commence such zoning and subdivision approvals as may be necessary to develop the Property.

Seller shall not change the zoning or subdivision of the Property during the term of this Letter of Intent and the Purchase and Sale Agreement between Seller and Purchaser, except pursuant to PDP and ODP applications that are currently contemplated for the development of the larger Park 12 Hundred project.

Equipment/Fixtures Seller shall leave the following items installed on the Property and in good condition and fully operable for the Purchaser's use and benefit:

- Electric, overhead garage door(s) and/or loading dock equipment.
- All existing exercise equipment currently in place in the ground floor exercise rooms.
- Prior to Closing, other than the equipment and furnishings outlined above, Seller shall leave Building in broom-clean condition and remove all of its equipment and furnishings.

Final Inspection Purchaser shall have the right to conduct a Final Inspection ("Final Inspection") prior to Closing.

If a material adverse change has occurred in the physical condition of the Property from the time that Purchaser has waived its rights to terminate the Purchase Contract based upon the Purchaser's Inspection Period, then Purchaser shall have the absolute right to terminate the Purchase Contract, provided, however, the Seller shall have the right to make any needed repairs to the Property prior to Closing and to the reasonable satisfaction of the Purchaser.

Closing If the Purchaser is satisfied with the Property after the Inspection Period expires and all Contingencies shall have been met, then the Closing ("Closing") of the Purchase Contract shall occur within ten (10) business days after the end of the Inspection Period (or, if applicable, the Extended Inspection Period) at a date and time mutually agreeable to Seller and Purchaser. The Closing shall occur in the offices of Adams County located at 4430 South Adams County Parkway in Brighton, or such other location as the parties may mutually agree upon. The parties shall each pay one-half of closing costs, and prorations shall be allocated between the parties according to the custom of the jurisdiction in which the Property is located.

Notwithstanding anything mentioned in this Letter of Intent to the contrary, in no event will the Closing occur prior to November 20, 2014.

Purchaser shall have the right to take possession of the Property immediately following Closing.

Liquidated Damages In the event that the sale of the Property is not consummated as a result of a breach of the Purchase Contract by the Purchaser, then the Earnest Money Deposit noted above shall be paid to Seller as liquidated damages and shall be Seller's sole remedy under the Purchase Contract.

Other Offers From the date of acceptance of this Letter of Intent, Seller shall not market the Property, nor solicit, consider or accept any other offer to purchase or lease the Property, or any part thereof, until the earlier to occur of the time that both parties execute and deliver a mutually agreeable Purchase Contract, or not later than 5:00 p.m. Mountain Time on April 30, 2014.

Confidentiality The potential purchase of the Property by Purchaser is a sensitive matter for Purchaser for numerous business reasons. Seller agrees to keep all conversations and/or negotiations regarding the potential purchase of the Property by Purchaser completely confidential and will instruct its internal staff(s), as well as key agents and subcontractors, including but not limited to: Newmark Grubb Knight Frank, Kieding, and Murray and Stafford, to maintain strict confidentiality regarding the potential purchase of the Property by Purchaser. Each party shall, however, be permitted to disclose such information as necessary for its bona fide business and financing purposes and to consummate this transaction.

Brokerage In accordance with Colorado Real Estate Commission Rule E-33, this paragraph notifies the Seller that Guidance Corporate Realty Advisors ("Guidance") is representing the Purchaser and that it is not acting as the Seller's Agent or as a Transaction Broker. Guidance shall receive its compensation from Seller as per separate agreement between Seller and Guidance.

This Letter of Intent does not in any way constitute a binding offer to purchase the Property. The Purchase Contract will contain other provisions customarily found in purchase agreements in the Denver Metropolitan area for similar properties, and the parties acknowledge that this Letter of Intent has not attempted to set forth herein all essential terms. There shall be no binding agreement with respect to the Property unless a written Purchase Contract has been fully negotiated and executed pursuant to proper authorizations and delivered by and between the parties. Any Purchase Contract must be first reviewed and approved by both Adams County, Colorado Facility Planning and Operations and the Adams County Attorney's office, then formally executed by the Board of Commissioners of Adams, Colorado, and delivered back to the Seller.

This Letter of Intent shall not be legally binding upon either party for any reason. Unless sooner replaced by a duly approved and executed Purchase Contract, this Letter of Intent by the Purchaser shall expire at 4:00 p.m. on Friday, ~~April~~ ^{May} 18, 2014.

Please feel free to call me with any questions at 303-442-5400.

Sincerely,



Mr. Jason Addlesperger
April 9, 2014
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Norman S. DeHart
Principal & Managing Broker
Guidance Corporate Realty Advisors

c: Mr. Mike Goins, Director, Facility Planning & Operations, Adams County, Colorado
Mr. Ed Finger, Deputy County Manager, Adams County, Colorado
Mr. Doug Edelstein, Assistant County Attorney, Adams County, Colorado

(Signature block is on the following page.)



AGREED BY PURCHASER: Adams County, Colorado

 4-21-14
Signature - Authorized Official Date

Charles "Chaz" Tedesco
Print name

Chairman
Title

AGREED BY SELLER: IBC Denver VIII LW IV LLC, a Delaware limited liability company


 4.15.14
Signature - Authorized Official Date

Brian C. Mott
Print name

MANAGER
Title

DATE: 04/11/14
SCALE: 1"=150'
JOB NUMBER: 12023

PARK 12HUNDRED
OFFICE PARCEL MAP


JANSEN STRAWN
CONSULTING ENGINEERS
48 WEST 2ND AVENUE
DENVER, CO 80202
P: 303.591.3333
F: 303.591.3399

SHEET
X1

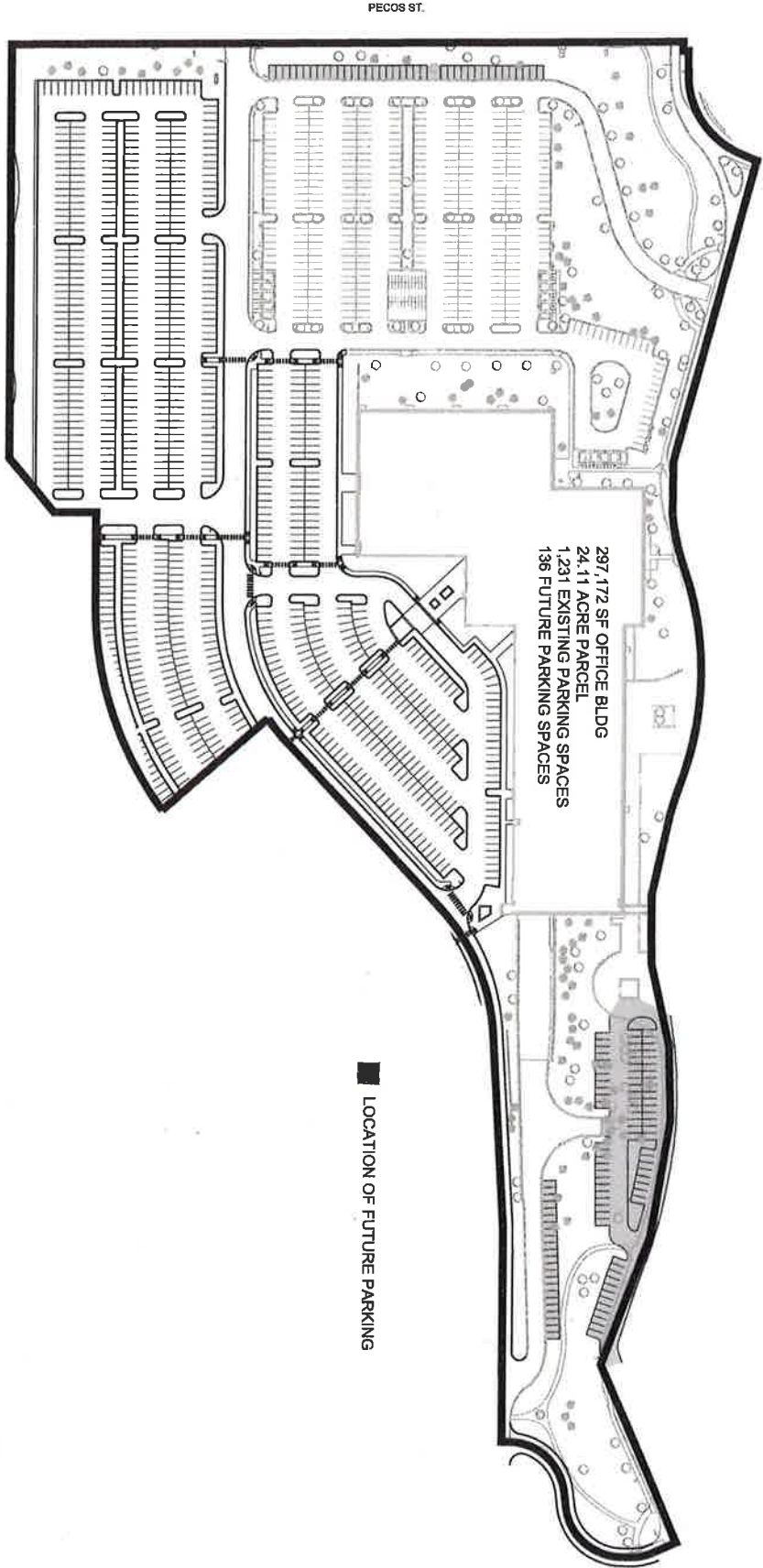


EXHIBIT II SELLER DUE DILIGENCE DELIVERABLES

Within five (5) business days of mutual execution of the Purchase Contract, Seller shall deliver the following due diligence inspection items to Purchaser:

1. Seller's current architectural plan as created for Seller's planned redevelopment of the Building.
2. Original Building construction documents including civil, structural, architectural, plumbing, mechanical, electrical, landscape, security and IT (phone/data) plans.
3. Previous and most recent Phase I & Phase II Environmental Site Assessment reports.
4. All inspection and removal reports for any of the following: asbestos, mold, lead paint or other internal / external environmental issues.
5. Structural engineering inspection reports and any cost analyses for potential repairs.
6. Exterior Building inspection reports and any cost analyses for potential repairs.
7. Any recent (last three years) roof inspection reports.
8. Any inspection reports for existing landscaping and lawn irrigation system(s).
9. Inspections for associated parking lots and roadways, walkways, etc, including any areas that will be shared.
10. Inspection(s) that determine any area(s) of the facility pose potential safety issues.
11. Any plans indentifying location(s) of underground telecomm/data conduits servicing the Building.
12. Any plans identifying location(s) of underground waste water/sewer lines servicing the Building.
13. Any plans identifying location(s) of on-site drainage / retention ponds servicing the Property.

PM

EXHIBIT III SELLER PROVIDED BUILDING AND SITE WORK

The items/tasks described below shall be completed by Seller, at Seller's sole cost, prior to Closing:

1. Provide a secure and water tight Building. After separation of the Building from the warehouse buildings being demolished by Seller, all openings shall be secured with plywood sheathing and repairs shall be made to the existing roof to prevent water intrusion.
2. Seller shall complete the full interior demolition of the Building. Seller shall remove all remaining interior walls, doors, ceiling grid and panels, all electrical circuits, including lights, outlets and switches, internal glass, all elevator cabs and elevator lift equipment, all interior plumbing, all kitchen equipment, all telecom conduits and racks, etc. Seller shall leave in place the ground floor exercise room and nearby conference areas. The details of interior demolition will be agreed to in more detail by Seller and Purchaser prior to Seller commencing the remaining demolition.
3. Seller shall complete the encapsulation of existing ACM floor mastic, as per a State of Colorado approved ACM remediation/containment plan.

The items/tasks described below shall be completed by Seller, at Seller's sole cost, ~~not later than ninety (90) days~~, unless otherwise noted, after Closing by Purchaser:

4. Construct a south parking lot, as outlined in the attached **Exhibit I**, with associated curb and gutters, sidewalks and landscape islands and parking lot lighting, as per **Exhibit I**, attached. This work shall be completed as weather permits, likely in the spring of 2015. Seller to provide Purchaser with additional details of the planned parking lot(s) and associated features.
5. Install a new Building fire water loop, as per **Exhibit I**, attached.
6. Install a new four inch (4"), 2 psi, gas service, to be provided by Xcel Energy. Seller to pay for all required engineering, Xcel Energy costs/fees, and all construction costs.
7. Install, new three inch (3"), domestic water Service from City of Westminster Water. Sellers to pay for all required engineering, City of Westminster water tap fees, and all construction costs.
8. Install a new 5,000 Amp, 277/480 volt, 3-phase, electrical service provided by Xcel Energy, including new site transformer. Seller to pay for all required engineering, Xcel Energy costs/fees, and all construction costs. Seller to deliver main electrical lines from the Xcel transformed to a central location within the Building.
9. Install site way-finding signage.

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