

Benjamin Ariff  
7 Oriole Ln  
Lake Oswego, OR 9703

May 2, 2022

*Sent Via Email to:* Attn: Nicholas Green <greenn@grantcounty-or.gov>

City of John Day  
Attn: Nicholas Green, City Manager  
450 East Main Street  
John Day, OR 97845

Dear Mr. Green,

We are pleased to submit this Letter of Intent to purchase the property located at Industrial Park Road in the City of John Day, Oregon. This Property is a good fit for a creative approach to industrial and economic development, and we are prepared to work efficiently and diligently with you to close on this transaction.

A summary of the terms of the offer is as follows:

## LETTER OF INTENT

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1. **Property:** address not yet assigned  
Industrial Park Road  
John Day, OR 97845

Tax Identification (Grant County): 6952

Land area: 20.03 acres (872,507 sq. ft.)

*The Property's legal descriptions will be defined in the Purchase and Sale Agreement.*

Together with the real property, Purchaser is also purchasing all of Seller's rights, title and interest in all of the fixtures, improvements, leases, maps, reports, plans, and other such material is having to do with the Property including all land use

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entitlements, government permits and allocations, and other such governmental and agency approvals as may exist concerning the Property.

**2. Purchaser:** Benjamin Ariff and Benjamin Gates, and/or assigns so long as the assigns are controlled by Benjamin Ariff and/or Benjamin Gates as the managing member.

Benjamin Ariff and Benjamin Gates are seeking the property to support a creative industrial hub with live/work businesses.

Benjamin Gates is an experienced architect and real estate development professional.

Benjamin Ariff is an experienced producer and marketing professional.

**3. Purchase Price:** Forty-seven thousand US Dollars (\$47,000.00)

**4. Earnest Money Deposit and Liquidated Damages:** A refundable cash deposit of \$10,000 ("Deposit") shall be deposited into escrow upon execution of the Purchase and Sale Agreement ("PSA") between the parties, made applicable toward the Purchase Price upon Closing, and held in escrow at Landtitle Co of Grant County ("Escrow Agent") until it becomes nonrefundable or upon refund back to Purchaser. Following satisfaction of the Physical Inspection Contingency, the Deposit shall become nonrefundable, subject any limitations contained herein. Otherwise, the Deposit will serve as Liquidated Damages to Seller if Purchaser fails to close as required under the Purchase and Sale Agreement.

**5. Physical Inspection Contingency:** "Physical Inspection Contingency Period": Purchaser shall have sixty (60) calendar days from execution of the PSA (whichever is later) to complete its due diligence, during which Seller shall fully cooperate by providing any and all information available regarding the Property, including but not limited to its development potential.

Within ten (10) business days following mutual execution of the PSA, Seller shall deliver to Purchaser the Seller Documents in Seller's possession and/or reasonable control. The Seller Documents shall include, but not be limited to, the following:

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Environmental Assessment (if applicable), Property Condition Assessment Questionnaire, delinquency reports, permits, title, leases, maintenance records, vendor contracts, hard copy and electronic plans, capital improvement history, environmental reports, etc. Purchaser shall have the right to inspect the Property with engineers and/or other consultants upon mutual execution of PSA, including an Environmental Assessment. Purchaser will indemnify Seller for any liability resulting solely from Purchaser's inspection(s) of the Property.

Purchaser may terminate this Letter of Intent and/or the PSA at any time prior to the end of the Physical Inspection Contingency Period for any reason or no reason at all upon written notification to Seller and Escrow Agent of the termination. Upon receipt by the Escrow Agent of such notification from Purchaser prior to the end of the Physical Inspection Contingency Period, the Escrow Agent shall, without further notice or action by the Seller, refund the Deposit in full to Purchaser.

## 6. Closing:

Closing shall occur, not later than thirty (30) calendar days following the expiration of the Physical Inspection Contingency Period, as defined above.

Following the expiration of the Physical Inspection Contingency Period, Purchaser's obligation to close escrow shall be subject only to the following conditions:

1. Title company shall be in position to issue a policy of title insurance to Purchaser, at Seller's expense, in the full amount of the Purchase Price showing good and marketable title vested in Purchaser subject only to such exceptions to title as have been approved by Purchaser during the Physical Inspection Contingency Period.
2. The non-existence of any development, building, construction, flood or other moratoria affecting the Property.
3. Seller to provide Seller title to property free and clear of all liens except for non-delinquent bonds and taxes.

- 7. Expenses:** Seller to pay all customary fees and expenses, including any transfer taxes, one-half of any escrow fee, and any commissions due with respect to the sale of the Property. Purchaser to pay one-half of escrow fee and other customary fees and expenses. Each party to pay its own attorneys' fees.
- 8. Interim Operations:** Following mutual execution of this Letter of Intent and extending through Closing, Seller shall continue to operate the Property as it has in the past and carry insurance in the same manner as before mutual execution of this Letter of Intent, as if Seller were retaining the Property.
- Following expiration of the Physical Inspection Contingency Period and as long as the PSA remains in full force and effect through Closing, Purchaser will have reasonable approval rights on all leasing transactions (if any), including renewals or extensions.
- 9. Representations and Warranties:** The PSA shall include customary Seller's Representations and Warranties.
- 10. Exclusivity:** Upon mutual execution of this Letter of Intent and as long as this Letter of Intent remains in effect pursuant to the language below in the PSA, Seller shall not enter into negotiations or transactions with third parties regarding any disposition or encumbrance of any part or all of the Property.
- 11. Purchase and Sale Agreement:** Purchaser shall be responsible for the preparation of the PSA and, in good faith, deliver an initial draft to Seller within thirty (30) business days following mutual execution of this Letter of Intent. The PSA shall incorporate the above terms, and additional terms and conditions that would be subject to mutual approval.

Purchaser and Seller shall have up to fifteen (15) business days to negotiate and fully execute a mutually acceptable PSA following Purchaser's delivery of the initial draft to Seller.

As part of the purchase and sale agreement, the Purchaser will work with the City on a development plan and is requesting the City: 1) perform a geological & geotechnical report; 2) allow a light industrial zone with a variance for ground floor living; 3) partition property into lots; and 4) extend North Industrial Lane and utilities to multiple industrial parcels.

The Purchaser shall develop a plan that seeks to maximize industrial use, preserve the property's natural features (including a significant north-south draw), and realize live work space that attracts entrepreneurs. The plan may will require City road and utility extensions to support affordable space for entrepreneurs, makers, and artists.

The Purchaser will deliver a preliminary plan within ten (15) business days following mutual execution of this Letter of Intent. The City shall review and provide feedback within ten (10) days so that the Purchaser can draft a Disposition & Development Agreement to present with the Purchase & Sale Agreement within the following (15) business days.

**12. Effect of This Document:**

Seller understands that the purpose of this Letter of Intent is to allow further investigation by both parties into the feasibility of entering into a formal agreement. Accordingly, this offer is non-binding and is subject to the execution and delivery by Purchaser and Seller of a mutually acceptable PSA. All parties to these transactions intend that this proposal shall be superseded by the PSA except as otherwise stated herein. If a PSA is not mutually executed within the timeframe stated herein, for any reason whatsoever or for no reason at all, this Letter of Intent shall expire and no party shall have any further rights, duties or obligations hereunder.

**13. Proposal Expiration:** This proposal expires May 31 at 5:00 PM PST.

Thank you for the opportunity to work with you on the purchase of the Property. We look forward to receiving a copy of this entire document with the Seller's signature in the location below and proceeding to document the agreement in a Purchase and Sale Agreement.

Sincerely,

Benjamin Ariff and Benjamin Gates

**Agreed and Accepted:**

Purchaser: **Benjamin Ariff**

Seller: **[company]**

By:

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By:

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Its:

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Date:

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Date:

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Purchaser: **Benjamin Gates**

By:

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Date:

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