

TO: Sedona – Oak Creek School District No. 9
995 Upper Red Rock Loop Road
Sedona, AZ 86336

RE: Letter of Intent: Big Park Community School Lease with Option to Purchase
Property Owner: Sedona – Oak Creek Unified School District 9
Project: Lease-Purchase Big Park Community School, Parcel No. 405-27-006C
Redevelop and utilize existing structures to provide government services, and partner with private businesses to enhance the economic welfare of residents of the community.
Applicant: Supervisor Donna Michaels, Yavapai County Supervisor District 3
Property Address: 25 West Saddle Horn Road, Sedona, AZ 86351.

Purpose: This letter of intent represents the basic terms for a potential agreement between the Property Owner and Yavapai County. This letter is issued by and on behalf of District 3 Supervisor Donna Michaels individually and is therefore subject to review and approval by the Yavapai County Board of Supervisors. After this Letter of Intent is approved by all Parties, a formal agreement may be entered for the benefit of the Parties, and Yavapai County will be substituted as Applicant and made a party to this Agreement.

Purchase Price: The Purchase Price shall be the Appraised Fair Market Value of the subject property, as determined by a MAI designated member of the Appraisal Institute licensed in the State of Arizona, at the time the Parties agree to enter into a formal Lease with Option to Purchase Agreement (hereinafter “Lease-Purchase Agreement”). Applicant will be responsible for the cost of the appraisal.

Purchase Terms

Payment: Payment of the Purchase Price shall be made in the following manner: Lease-Purchase Agreement with a term of up to nineteen (19) years pursuant to A.R.S. § 11-251(46) at a rental rate of \$1.25 per square foot, payable per month from Applicant to Owner due on the first day of each month following initial occupancy by Applicant. All initial repairs necessary for Applicant to take occupancy of the Property shall be completed by Applicant at Applicant’s expense and shall constitute a credit against monthly rent payments otherwise due until such time as the credit for initial repairs is exhausted. Subsequent repair expenses incurred by Applicant may be credited against monthly rental payments or the Purchase Price of the Property at Applicant’s sole discretion.

Building C: In the event Building “C” is designated for use as affordable housing for employees of the County, whereby the building will be remodeled into residential apartment units, the Parties agree to cooperate fully and provide all reasonable assistance required in order to establish the proposed use.

Closing on Purchase of the Property: Upon notice of exercise of the Option to Purchase by the Applicant, the Parties shall enter into a Purchase Agreement and close on the sale of the property as soon as practicable. Any extension of the Closing must be agreed upon in writing by Applicant and Owner.

Closing Costs: All costs associated with the Closing shall be the responsibility of the Applicant.

Possession: Possession of the Property shall be given upon execution of a Lease-Purchase Agreement by the Parties, or earlier by mutual agreement ("Possession").

Property Inspection: Upon Applicant exercising its Option to Purchase, a conditional Purchase Agreement shall be executed by the Parties, and the Applicant shall have the right to have the Property fully inspected. The inspections shall be complete within forty-five (45) days after a Purchase Agreement has been executed. After the Property has been inspected, the Applicant shall have an additional five (5) business days to report any deficiencies to the Owner in writing. If the Applicant and Owner cannot reach a mutual agreement within ten (10) business days of delivery of the written disclosure regarding correction of the specified deficiencies, the Purchase Agreement shall be null and void. Any monies on deposit toward the Purchase Price shall be promptly returned to Applicant.

Binding Effect: This Letter of Intent shall be considered non-binding and the Parties acknowledge that this Letter of Intent is not enforceable by either Party. The terms outlined herein are solely for the purpose of reaching an agreement in the future.

Agreement: Following the execution of this Letter of Intent, and until Closing, the Owner shall not engage in negotiations for the sale or lease of all or any portion of the Property with any other party unless the Applicant and Owner agree in writing to terminate this Letter of Intent.

Governing Law: This Letter of Intent shall be governed by the laws of the State of Arizona.

Acceptance: If the forgoing terms are acceptable, Owner should sign and return a copy of this Letter of Intent no later than July 14, 2023.

Benefits of Proposed Use: Given the prior use of the Premises, there is ample parking and infrastructure to accommodate the proposed use of the Property, and there will be no negative impact to nearby property owners. Furthermore, this project will assist the School District in alleviating the difficulties associated with maintaining this property and will further benefit all members of the School District and the community at large.

APPLICANT

Applicant's Signature _____ Date _____

OWNER

Owner's Signature _____ Date _____