

LETTER OF INTENT TO PURCHASE PROPERTY

Real Estate Broker for the buyer:

Wendy R. Brown

Managing Broker

PureWest Real Estate

17 First Avenue East

Kalispell, MT 59901

Buyer: Flathead County Library

233 1st Ave W

Kalispell, MT 59904

Seller: Parkline Partners LP

Effective Date: ~~February 17th, 2024~~ March 17th, 2025

RE: Intent to Purchase Commercial Property

This commercial purchase letter of intent (the "Letter of Intent") represents the basic terms for an agreement between the Buyer and Seller. After this Letter of Intent has been made, a formal agreement may be constructed to the benefit of the Parties involved.

- I. The Buyer:** FLATHEAD COUNTY LIBRARY (the "Buyer" or "Purchaser").
- II. The Seller:** PARKLINE PARTNERS LP (the "Seller").
- III. Property Address:** TBD a portion of property not to exceed 2 acres at 20 North Main Street, Kalispell, MT (the "Property").

A portion of the following legal description.

Additional Description: Legal Description: S07, T28 N, R21 W, ACRES 22.45, COS 6921-1 OVER 20, TR 8BA, TR 2AB IN SE4SW4, S2SE4 (SELL TOG), ASSR#0000974450 **EXCLUDING THE EASEMENT PORTION ALONG THE TRAIL.**

- IV. Purchase Price:** The Buyer shall purchase the Property for ~~\$2,500,000.00~~ \$3,000,000.00 (the "Purchase Price"). Of note. The County desires to negotiate as best they can as the stewards of public funds and is restricted from spending above the appraised value of the property. The County does not desire to own the easement portion of the property which has building restrictions.
- V. Purchase Terms:** Payment of the Purchase Price shall be made in the following manner: ~~Up to 10% Down payment~~ Payment of the Earnest Money Deposit and then cash at the end of the closing time frame, ~~not to exceed 12 months.~~

Earnest Money: The definitive purchase agreement will provide that Purchaser will deposit Earnest Money in the amount of \$200,000.00 (the "Earnest Money Deposit") at Fidelity National Title Company of Flathead Valley, LLC c/o Tracy Dugan ("Title Company"), which shall be refundable to Purchaser if Purchaser terminates the purchase agreement before the expiration of the Inspection Period.

VI. Financing; The Buyer has made it known that their ability to purchase the Property is conditional on their ability to obtain financing or funding from private and public sources. Financing contingency release date shall be the same as the closing date. Purchaser will provide status reports regarding financing efforts every 30 days to the Seller.

VII. Per the County Purchasing Policy and Montana Code Annotated 7-8-2520 Property must be appraised and the purchase price cannot exceed the Appraised value. This purchase is contingent upon the property appraising for at least the purchase price. In the event the property does not appraise for the purchase price the contract will be considered void and earnest money will be returned to the buyer.

~~**VI. Financing:** The Buyer has made it known that their ability to purchase the Property is ☒ conditional on their ability to obtain financing or "funding" from private and public sources. See Contingent below.~~

~~If the purchase is conditional on financing, it shall be under the following terms: satisfactory to buyer.~~

~~**VII. Closing:** The Closing shall occur within 12 months of an accepted purchase agreement or earlier by mutual agreement (the "Closing"). Any extension to the Closing must be agreed upon in writing by the Buyer and Seller.~~

VIII. Closing Costs: All costs associated with the Closing shall be the responsibility of ☐ the Buyer ☐ the Seller ☒ both Parties bearing their own expenses.

IX. Possession: Possession of the Property shall be given upon recording of the deed, or earlier by mutual agreement (the "Possession"). Any extension to the Possession must be agreed upon in writing by the Buyer and Seller.

X. Property Inspection: After a binding Purchase Agreement has been made, the Buyer shall hold the right to have the condition of the Property inspected by a person of their choosing.

Inspection Period: Purchaser shall have one hundred twenty (120) days to do its due diligence (the "Inspection Period"). This would include interviewing architects, writing and reviewing CCR's and, performing a Geotech study. Purchaser has one (1) option to extend the Inspection Period for thirty (30) days ~~each~~ (the "Extension Options"). Purchaser shall provide written notice to Seller prior to the expiration of the Initial Inspection Period and by depositing an additional \$50,000.00 of additional earnest money (the "Additional Earnest Money") with the Title Company within one (1) business day after the expiration of the Initial Inspection Period. The Additional Earnest

Money shall be nonrefundable but applicable to the Purchase Price.

XI. Binding Effect: This Letter of Intent shall be considered:

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Non-Binding — Therefore, the Parties acknowledge that this Letter of Intent is not enforceable by any Party. The terms outlined herein are solely for the purposes of reaching an agreement in the future, of which the Buyer and Seller are not bound.

XII. Standstill Agreement: Following the execution of this Letter of Intent, and until the Closing, the Seller shall not engage in negotiations for the sale of the Property with any other party unless either the Buyer and Seller agree in writing to terminate this Letter of Intent, or the Buyer and Seller fail to sign a Buy Sell and Purchase Agreement by ~~March 21, 2025~~ **within 30 days of acceptance of the LOI**

XIII. Additional Provisions:

Contingencies:

This offer is contingent upon the seller, at seller's expense, obtaining a survey to define the acreage being purchased and have corners marked ~~within the due diligence time frame~~ **during the first 90 days of due diligence** so that the Board of Directors or their representatives may visually inspect the site. Thus creating a legal description for property which can be titled and transferred to the County at closing.

Upon Board approval of a satisfactory, on site, location for a building or space of at least 40,000 square feet on a single level, meeting the qualifications outlined by library professionals and or their consultants, with proximity to the Parkline Trail and adequate parking for patrons and staff. Adequate parking being defined as an amount meeting City requirements and meeting ADA standards as well as facilitating convenient access for patrons and staff.

Also contingent upon: Board approval of overall site plan and architectural design requirements.

~~This offer is also contingent upon the Parkline Partner's LLP agreeing to a first right of offer at market value, based on an appraisal if at such a time the County determines that they are unable to proceed with the construction of a Library at this location.~~

Closing: Closing shall take place on or before thirty (30) days following the expiration of the Inspection Period (as it may be extended).

Survey and Title: Seller shall cause the Title Company to issue to Purchaser a title commitment for the issuance of an owner's title policy covering the Property (the "Title Commitment"), together with copies of all documents referenced as title exceptions in the Title Commitment, and Seller shall deliver to Purchaser Seller's existing ALTA ~~or TLTA~~ survey of the Property, duly locating all of the exceptions to title set forth in the Title Commitment (the "Survey"). Seller will be responsible only for payment of the premium for the standard form of owner's title policy. Purchaser shall pay the premiums charged for and costs associated with obtaining any endorsements or modifications to the standard policy form and for any loan policy or endorsements required by Purchaser's lender. Purchaser

shall have 30 days following receipt of the Title Commitment, all title exception documents and the Survey to make written objections to the state of title to the Property. Seller shall be responsible for releasing any monetary liens encumbering the Property on or prior to Closing.

Closing Costs: Escrow fees and recording fees will be split equally by the parties. Purchaser will be responsible for any costs associated with Purchaser's financing related to the acquisition of the Property (if any).

Design Standards: Purchaser intends to construct an approximately 40,000sf public library on the Property. Purchaser's design of the improvements shall be subject to Seller's reasonable approval. In consideration for Purchaser to engage with high quality design consultants (e.g. architect, landscape architect, engineer, etc.), Seller agrees to reimburse Purchaser for fees Purchaser incurs from ~~it's~~sits design consultants in an amount not to exceed ~~\$250,000.00~~100,000.00. Seller shall reimburse Purchaser within thirty (30) days of Purchaser commencing construction on the Property.

Operating Expenses: Taxes: Purchaser shall be responsible for all taxes assessed on the Property beginning on the Closing Date.

Insurance: Purchaser shall insure the Property.

~~Common Area Maintenance: Purchaser shall maintain the common areas within the Property. Purchaser shall pay Seller a monthly amount to be agreed upon for Seller's maintenance of common areas within the Shopping Center and not on the Property.~~

~~Purchaser desires to be able to provide parking for its own use and not be a part of overall parking on the project. Purchaser does not wish to obligate the County to unknown fees with an uncompleted project and without input as to what those fees may look like.~~

Broker Commission: Seller shall pay a commission to Wendy R. Brown at PureWest Real Estate, under separate agreement. 2% of the purchase price.

Exclusivity: Notwithstanding the otherwise non-binding nature of this proposal, (i) for the sixty (60) day period following Purchaser's receipt of Seller's acceptance of this proposal, Seller agrees not to market the Property, negotiate for or enter into a contract for the sale of or other disposition of the Property with any other party; and (ii) during such 60-day period, Purchaser and Seller agree to negotiate with one another, ~~In~~in good faith, to agree upon the terms and conditions of a definitive agreement, ~~It~~it being understood that such agreement shall incorporate the terms of this proposal. Notwithstanding the foregoing, if Purchaser breaks off negotiations (or terminates the definitive agreement) within such 60-day period, then Seller shall not be bound by this provision. Except as set forth ~~In~~in this paragraph, this proposal is not intended to be a binding agreement, and is subject to the preparation in good faith and mutual execution of a definitive purchase agreement, which will contain normal representations and warranties and such further terms and conditions as may be mutually acceptable to Purchaser and Seller.

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**Deed Restrictions/
Prohibited Uses:**

The Shopping Center, including the Property, shall be subject to typical restrictions against noxious uses that are incompatible with a commercial development, such as, by way of example, a store selling pornographic materials.

**Hazardous Materials
Funds:**

Portions of the Shopping Center, not including the Property, are subject to ongoing monitoring and cleanup of environmental issues, for which funds are made available to Seller by the applicable governmental authority. The sale of the Property to Purchaser expressly excludes any interest in such funds, which is retained by Seller in all respects.

Repurchase Option: Following the Closing, Seller has the option to repurchase the Property from Purchaser if:

(i) Purchaser fails to commence construction of the library within ~~twenty-four~~ (24) (36) months after the Closing Date, subject to extension for reasonable delays caused by force majeure; or

(ii) Purchaser fails to complete construction of the library within ~~forty-eight~~ (48) (72) months after the Closing Date, subject to extension for reasonable delays caused by force majeure.

If Seller exercises the repurchase option, the purchase price for the Property shall be equal to 100% of the Purchase Price paid by Purchaser to Seller for the Property, ~~((closing fees ie title insurance, closing agent fee to title company etc. other closing costs associated with purchase to be paid by the causing party)to be added to the purchase price and split equally less all of Seller's closing costs for the repurchase closing.~~

XIV. Currency: All mentions of currency or the usage of the "\$" icon shall be known as referring to the US Dollar.

XV. Governing Law: This Letter of Intent shall be governed under the laws of the State of Montana.

XVI. Acceptance: If you are agreeable to the aforementioned terms, please sign and return a duplicate copy of this Letter of Intent by no later than March 28, 2025.

BUYER

On behalf of the Board of Directors

Buyer's Signature: _____

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Date: _____

Print Name _____

SELLER

Seller's Signature: _____

Date: _____

Print Name _____

Summary report: Litera Compare for Word 11.3.1.3 Document comparison done on 3/17/2025 6:00:22 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
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Modified DMS: iw://a8c21-mobility.imatech.com/IMANAGE/11303574/2	
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Delete	18
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<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	40