



COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER
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C.H. HUCKELBERRY
County Administrator

June 10, 2014

Ms. Keri Lazarus Silvyn
Lazarus, Silvyn and Bangs, PC
4733 E. Camp Lowell Drive
Tucson, Arizona 85712

Re: Offer to Purchase the 286-acre Painted Hills Property

Dear Ms. Silvyn:

This letter is to inform you and your clients that I am in agreement with your June 9, 2014 counteroffer regarding the County's purchase of the 286-acre Painted Hills property. Such agreement is contingent on the City of Tucson's Mayor and Council approving the necessary bond ordinance amendment that would enable the County to spend the City's share of County bond funding on the Painted Hills property. Our acceptance of your offer is based on your client's appraised value of the property dated 2012. The County's Conservation Acquisition Commission and Bond Advisory Committee already recommended the bond ordinance amendment in 2012.

My understanding of your counteroffer is as follows:

- The purchase price is \$7.5 million;
- The County will make an initial payment of \$3 million in Fiscal Year 2014/15 from the sale of open space bonds approved for this purchase;
- The County will pay an interest rate of 5.75 percent on the unpaid balance of \$4.5 million, to be paid in five equal payments of \$1,061,028.62, with interest accruing at closing and payments made annually on the closing date, for a total cost of \$8,305,143;
- The County will commit to full payment of the remaining balance in 2016 if a projected November 2015 bond election is successful for open space acquisitions; and
- A purchase agreement with terms and conditions acceptable to both the County and the Dallas Police and Fire Pension System.

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Thank you for your prompt responses during these recent negotiations. My staff will be in contact with you shortly to begin drafting the acquisition agreement and any other documents necessary to complete this transaction.

I will also be advising the Board of Supervisors of this pending transaction in the near future.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/mjk

c: Nanette Slusser, Assistant County Administrator for Public Works Policy
Nicole Fyffe, Executive Assistant to the County Administrator
Diana Durazo, Special Staff Assistant to the County Administrator
Neil Konigsberg, Manager, Real Property Services