

## CLICK RANCH LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is made and entered into to be effective as of the 1<sup>st</sup> day of May, 2020, by and between The City of Grand Junction, a Colorado home rule municipality, hereinafter referred to as "the City", and Dennis and Lora Wynn, hereinafter referred to as "Lessees," whose address for the purpose of this lease is 5881 Purdy Mesa Road, Whitewater, CO 81527.

### Recitals

A. The City is the owner of certain real property commonly known as the Click Ranch, located on Purdy Mesa in the County of Mesa, State of Colorado, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, hereinafter referred to as "the Property". The City acquired the Property for its water and water rights and ditches and ditch rights ("water rights"). The City owns the Property for the primary purposes of protecting the City's water rights, the decrees for which allow multiple purposes to include municipal, agricultural and livestock watering. During most irrigating seasons, portions of the City's water rights are not necessary for municipal use. The City therefore retains ownership of the Property so that water not necessary for municipal purposes may be beneficially used and applied upon the Property for agricultural and livestock watering purposes. It is the express intent and desire of the City that the Property remain as productive as is practicable for farming and ranching purposes so that the City's water rights may be used to their full and maximum extent, that all aspects of the Property may be maintained to the highest practicable standard, and that expenses be kept to a minimum without waste.

B. Lessees have submitted to the City, with adequate prior notice their intent to extend this lease for a second 5-year term as described in the lease signed by Lessees on 12/1/2015. Lessees agree to lease, use, occupy, maintain and improve the Property and to judiciously use and apply the City's water rights thereon in accordance with the desires and express intent of the City, all at no cost or expense to the City.

C. The City has agreed to lease the Property to Lessees based on Lessees' verbal and written representations that Lessees possess the knowledge, experience, equipment, personnel and financial resources to maintain the Property and its' structures, to the highest practicable standard and to use and apply the City's water rights upon the Property to their full and maximum extent, all in accordance with the desires and express intent of City.

NOW, THEREFORE, for and in consideration of the recitals above and the mutual promises, terms, covenants, conditions, duties and obligations to be kept by the City and Lessees as more fully hereafter set forth, the parties hereto agree as follows:

SECTION ONE  
GRANT AND ACCEPTANCE OF LEASE

1.1 The City hereby leases the Property to Lessees, and Lessees hereby accept and lease the Property from the City, for the term set forth in Section 2 below and for the specific purposes and duties of maintaining all aspects of the Property and the water and water rights, ditches and ditch rights appurtenant thereto, all in accordance with the provisions of this Agreement.

SECTION TWO  
BASIC TERM

2.1 The basic term of this Lease shall commence on May 1, 2020, and, subject to the review of the Lessees' annual property management report, shall continue through April 30, 2025, at which time this Lease shall expire. For the purposes of this Ranch Lease, a "lease year" shall mean the period commencing on May 1 of each year during the term of this Lease and terminating on April 30 of the succeeding year.

2.2 If Lessees perform as required pursuant to this Agreement and as outlined in Appendix A, Performance Objectives, and if the City chooses, at its sole option and discretion, to again lease the Property at the expiration of the term. If this Lease is so extended for additional terms, the lease terms shall be upon terms and conditions which may hereafter be negotiated between the parties. In order to exercise Lessees' option for an additional term, Lessees shall give written notice to the City of Lessees' desire and intention to exercise Lessees' option to extend not less than 365 days prior to the expiration of the basic term.

SECTION THREE  
RESERVATIONS FROM LEASE

- 3.1 The City retains and reserves from this Lease and unto itself:
- a. all oil, gas coal and other minerals and mineral rights underlying and/or appurtenant to the Property;
  - b. all hunting rights concerning the Property, which includes antiquities, artifacts and game;
  - c. all rights to grant, sell, bargain, convey and dedicate any ownership interest(s) in and to the Property, or any division thereof, to any other party, including the conveyance of easements, so long as such action will not interfere with Lessees' use and quiet enjoyment of the Property for the purposes set forth in this Agreement;
  - d. the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, in whole or in part, even if such taking is made by and/or for the purposes of the City,

or for the conveyance in lieu of condemnation. Lessees hereby assign and transfer to the City any claim Lessees may have to compensation, including claims for damages, as a result of any condemnation; and

e. all water and water rights, ditches and ditch rights which are appurtenant to and/or connected with the Property, except those which the City makes available and authorizes Lessees to use and apply to the Property pursuant to this Lease.

#### SECTION FOUR RENTAL

4.1 Lessees agree to pay City, as rental for the Property, improvements and appurtenances, the sum of \$37,220. Payable as follows:

Lease Year	Total Due	May 1st Payment	December 1st Payment
2020	\$ 7,444	\$ 3,722*	\$ 3,722
2021	\$ 7,444	\$ 3,722	\$ 3,722
2022	\$ 7,444	\$ 3,722	\$ 3,722
2023	\$ 7,444	\$ 3,722	\$ 3,722
2024	\$ 7,444	\$ 3,722	\$ 3,722

\*The 2020 May 1<sup>st</sup> payment shall be paid in full with the signing of this Agreement. Lessees have already paid \$3,512 while continuing to use the Property while the terms of this Lease have been negotiated. The remaining \$210 shall be paid with the execution of this Agreement.

4.2 In the event Lessees fail to pay the specified rental payments on or before specified due dates, this Agreement and the lease of the Property to Lessees shall automatically terminate and neither party shall have any further rights, duties or obligations under this Agreement, except all payments due and owing to the City upon termination shall still be remain the responsibility of the Lessees to be paid to the City.

4.3 Lessees agree to timely pay any and all <sup>possessory</sup> real estate taxes and improvement assessments which may be levied against Property, and any taxes or assessments levied against the crops, livestock and other personal property of the Lessees or any other leasehold interest acquired by Lessees under this Lease. Lessees further agree to pay any and all utilities, charges, and other expenses incurred in connection with Lessees' use and operation of the Property, including, but not limited to, all charges for natural gas, electricity, telephone and other utilities used on or in connection with the Property. Any payments not made timely are a basis for termination of this Lease by the City. All payments due upon termination remain the responsibility and obligations of the Lessees.

4.4 All rental payments paid by Lessees to the City shall be delivered either by mail or by personal delivery to:

City of Grand Junction Finance Department  
Accounts Receivable  
250 North 5<sup>th</sup> Street  
Grand Junction, CO 81501-2668

All rental payments deposited by Lessees shall be clearly marked "Click Ranch Lease Payment".

SECTION FIVE  
SPECIFIC DUTIES AND OBLIGATIONS OF LESSEES

5.1 As consideration for the lease of the Property, Lessees shall, at no cost or expense to the City:

- a. Thoroughly plow, irrigate, cultivate, fertilize and farm all farmable lands upon the Property in a responsible and prudent husband-like manner; to plant, grow and harvest upon and from the Property crops of hay, grass and/or alfalfa and no other plants or crops without the prior written consent of the City.
- b. Use the Property for farming, ranching and livestock grazing purposes only and for no other purpose whatsoever; Lessees agree that Lessees will not use the Property nor allow any other person to use the Property for any purpose prohibited by this Agreement or by the applicable laws of the United States of America, the State of Colorado, the County of Mesa or any other governmental authority or any jurisdiction having authority over uses and activities conducted upon the Property.
- c. Maintain, clean out and keep in good order and repair, free from litter and debris and, as is practicable, free from weeds, all aspects of the Property, including, but not limited to, roads, perimeter boundaries, ditches, diversion structures, flumes, head-gates and other structures necessary to fully irrigate the Property and to not allow any water running through, used and applied upon the Property to overrun any furrows or otherwise cause damage to the Property or the property of any other person or entity.
- d. Waive and forego any claim, cause of action or demand Lessees may have against the City, its officers, employees and agents, for injury to or destruction of any property of Lessees or any other party that may be lost, injured, destroyed or devalued as a result of the act, or failure to act, of Lessees or any third person; and to indemnify and hold the City and the City's officers, employees and agents, harmless from any and all claims, damages, actions, costs and expenses of every kind in any manner arising out of or resulting from Lessees' use, occupancy, maintenance and improvement of the Property.
- e. Not violate nor permit to be violated any code, rule, regulation or order pertaining to the use, application, transportation and storage of any hazardous,

toxic or regulated substance or material, including, but not limited to, herbicides, pesticides and petroleum products. Lessees agree that any spill, excessive accumulation or violation of any code, rule, regulation or order pertaining to the use, application, transportation and storage of any such material or substance shall be reported immediately to the City. Lessees further agrees that all costs and responsibilities for cleaning, removing and abating any violation pursuant to this paragraph shall be borne solely by Lessees.

f. At all times maintain all fences and gates presently located upon the Property in good working order and repair in a manner sufficient to securely confine all livestock. Lessees agree to timely retrieve livestock when they get out onto neighboring properties, roads, and right-of-ways. Any damage caused by Lessees' livestock shall solely be the responsibility of the Lessees with indemnification and holding harmless the City, the City's officers, employees and agents as set forth in Section 5.1.d above. Lessees may install locks on all gates, provided, however, that Lessees shall provide the City with lock combinations and/or copies of keys to all locks installed by Lessees.

g. Purchase and at all times during the term of this lease maintain in effect suitable comprehensive general liability and hazard insurance from a company approved by the City which will protect the City and the City's officer, employees, agents and assets from liability in the event of loss of life, personal injury or property damage suffered by any person or persons on, about or using the Property, including Lessees. Such insurance policy(ies) shall have terms and amounts approved by the City's Risk Manager. Such insurance shall not be cancelable without thirty (30) days prior written notice to the City and shall be written for at least a minimum of ONE MILLION DOLLARS (\$1,000,000.00), per occurrence for bodily injury, personal injury, and property damage, and \$1,000,000.00 in the aggregate. The certificate of insurance must be deposited each year on or before May 1 with the City and must designate "The City of Grand Junction, its officers, employees, agents and assets" as additional insureds. If a policy approved by the City's Risk Manager is not at all times in full force and effect during the term of this Lease and a certificate of insurance with current coverage deposited with the City, this Lease shall automatically terminate.

h. Lessees shall comply with all Workers Compensation laws and provide proof of Workers Compensation insurance to the City. Said Workers Compensation insurance shall cover obligations imposed by applicable laws for any employee or person engaged in the performance of work on the Property.

## SECTION SIX IRRIGATION OF PROPERTY

6.1 The irrigation of the Property is an essential duty and obligation to be undertaken by Lessees on behalf of the City. The City intends to permit Lessees to use water and water rights owned by the City, without additional remuneration by Lessees, for purposes

specifically limited to irrigating the Property and as stock water for livestock kept and maintained on the Property. Water and water rights the City may make available to Lessees, if the City in its sole and absolute discretion determines that such water is to be made available to Lessees, may include up to:

- a. In an average water year, approximately 300-acre feet of water from the Highline Ditch. This water is usually available from May 1 through June 28 of each year. Available flow rate ranges between 0.1 cubic feet per second ("cfs") and 5.0 cfs, and/or
- b. In an average water year, approximately 100-acre feet of reservoir water from the City's Reservoirs. This water is usually available from July 1 through October 15 of each year.

6.2 The City may provide written or verbal notice to Lessees at any time during the term of this Lease stating the amount(s) of water, if any, expressed in terms of cfs or acre feet, which may be available for Lessees' use and application upon the Property. Notwithstanding the foregoing, the City retains the right, without any liability or obligations to Lessees, to possess, control, sell, exchange, divert and convert water and water rights owned by the City for any purpose which the City deems, in its sole and absolute discretion, to be appropriate, even if such action by the City is adverse to the needs and uses of Lessees. In the event the City exercises its rights as hereinbefore described, the parties may renegotiate the rent paid or to be paid by Lessees; no other terms or conditions of this Lease may be renegotiated. The City is not obligated to renegotiate.

6.3 Lessees shall utilize all water made available pursuant to this Agreement in a prudent and careful manner to obtain the most efficient use of said water for purposes strictly limited to irrigating the Property described in this Lease and as stock water for livestock kept and maintained on the Property. Lessees shall comply with all rules, regulations and valid administrative orders applicable to any and all water and water rights which may be provided to Lessees under this Agreement.

6.4 Lessees shall represent the City's water and water rights interests by actively participating in meetings with all appropriate ditch and reservoir companies. All statements and representations of Lessees under the capacity of representing the City shall serve to promote the interests of the City with the utmost good faith, loyalty and fidelity.

6.5 Lessees shall be solely responsible for diverting and transporting any water made available to Lessees from its point of release to its point of use. Lessees shall exercise proper diligence to ensure that any and all water made available to Lessees is properly diverted and utilized to its fullest extent on and solely for the benefit of the Property and Lessees' operations thereon. Lessees shall be responsible for ensuring that any and all water made available to Lessees is transported through clean irrigation ditches of adequate size and capacity from the point of release to the point of use.

6.6 Any failure by Lessees to irrigate the Property as set forth above, or any of the following acts or omissions on the part of Lessees with respect to the water rights appurtenant to the Property, shall be grounds for immediate termination of this Lease:

- a. failure or refusal to make appropriate use of available water to the Property without the prior written consent of the City; or
- b. failure to maintain and preserve the irrigation structures, ditches, pipes and other irrigation facilities and appurtenances on the Property in such a manner as to allow the full application of available water to the Property.

## SECTION SEVEN CULTIVATION

7.1 Lessees agree that Lessees shall, at no cost or expense to the City, provide the labor, capital, machinery, seed and fertilizer necessary to improve crop production on the Property through the rehabilitation of existing fields and the cultivation of additional fields to bring the Property up to its historic level of cultivation, or better. Lessees' cultivation practices shall be carried out in a good and husband like manner in accordance with the best methods of cultivation practiced in Mesa County, Colorado. Lessees further agree to cooperate, comply with and participate in all farm crop programs promulgated by the United States Department of Agriculture, the National Resource Conservation Service and the State of Colorado Farm Bureau. Lessees shall be entitled to and responsible for all proceeds, debts and losses incurred and associated with crops grown on the Property.

## SECTION EIGHT LIVESTOCK MANAGEMENT

8.1 Lessees have represented to the City that Lessees intend to raise and care for Lessees' cattle ("Livestock") on the Property. Prior to letting livestock upon the Property, Lessees shall, at Lessees' sole cost and expense, implement whatever measures are necessary to ensure that all fences around the perimeter of the fields to be grazed are sufficient to confine Lessees' Livestock to the Property. The use of electric fences is permitted, provided that (a) electric power shall be provided from batteries and/or photovoltaic systems and not public electric services, and (b) Lessees install conspicuous signs sufficient to warn the general public against touching such electric fences.

8.2 Lessees agree that Lessees' operations and conduct relating to raising and caring for Lessees' Livestock shall be carried out in the highest standard of care and in a manner that will not over graze the Property or otherwise cause deterioration of or destruction to the Property. Lessees further agree to comply with the regulations of the United States Department of Agriculture, Livestock laws and regulations of the State of Colorado, and any and all federal, state and county laws, ordinances and regulations which are applicable to the area in which the Property is located.

8.3 Lessees represent that Lessees' Livestock carry the Bar 2, Open A, or CX brand ("Lessees' Brand"). Lessees agree that livestock not carrying Lessees' Brand shall not be permitted on the Property without the prior written approval of the City.

8.4 Lessees agree that Lessees shall indemnify the City, its officers, employees, agents and assets and hold the City, its officers, employees, agents and assets harmless from liability in the event of loss of life, personal injury or property damage suffered by any person or persons which may be caused by Lessees' Livestock on the Property and/or escaping the Property.

#### SECTION NINE USE OF CHEMICALS ON PROPERTY

9.1 Lessees shall not apply any chemicals on the Property, including, but not limited to, fertilizers, herbicides and pesticides, without the prior written consent of the City. Lessees shall at all times keep the City advised of chemicals used and/or stored on the Property, and shall further comply with all applicable rules, laws, regulations and orders, either now in force or hereinafter enacted, regulating the storage, use, application, transportation and disposal of any such chemicals.

#### SECTION TEN HAZARDOUS SUBSTANCES

10.1 Lessees shall not use, store, generate, treat, transport or dispose of any hazardous substances on the Property except for the use and storage of pesticides, fertilizers and materials such as petroleum-based products used in normal farming and ranching operations. The terms "hazardous substances" shall mean any substance defined, regulated, or banned by federal, state, or local laws or regulations which might result in liabilities or responsibilities under CERCLA, RCRA, the Clean Water Act, the Federal Water Pollution Control Act, or any other federal or state environmental protection statutes, laws or regulations. Lessees' use and storage of pesticides, fertilizers, and materials such as petroleum-based products used in normal farming and ranching operations shall be in conformance with all manufacturer's instructions and all applicable federal, state and local laws and regulations. Lessees shall not dispose of such pesticides, fertilizers, and materials such as petroleum-based products used in normal farming and ranching operations on the Property.

#### SECTION ELEVEN ENVIRONMENTAL CLEAN-UP

11.1 The following provisions shall be applicable to Lessees and to Lessees' agents, guests, invitees, contractors, licensees and employees:

- a. Lessees shall, at Lessees' sole cost and expense, comply with all Environmental Laws and laws regulating the use, generation, storage, transportation or disposal of Hazardous Substances;



b. Lessees shall, at Lessees' sole cost and expense, make all submissions to provide all information required by and/or to comply with all requirements of all governmental authorities ("the Authorities") under Environmental Laws and other applicable laws.

c. Should any Authority or the City demand that a clean-up plan be prepared and that a clean-up plan be undertaken because of any deposit, spill, discharge or other release of Hazardous Substances on, under or about the Property, Lessees shall, at Lessees' sole cost and expense, prepare and submit the required plan(s) and all related bonds and other financial assurances, and Lessees shall carry out all such clean-up plan(s) in compliance with the Authorities and all Environmental Laws and other applicable laws.

d. Lessees shall promptly provide all information regarding the use, generation, storage, transportation or disposal of Hazardous Substances requested by any Authority. If Lessees fail to fulfill any duty imposed hereunder within a reasonable time, the City may do so on Lessees' behalf and, in such case, Lessees shall cooperate with the City in the preparation of all documents the City or any Authority deems necessary or appropriate to determine the applicability of Environmental Laws to the Property and Lessee's use thereof, and for compliance therewith, and Lessees shall execute all documents promptly upon the City's request. No such action by the City and no attempt made by the City to mitigate damages under any Environmental Law or other applicable law shall constitute a waiver of any of Lessees' obligations hereunder.

e. Lessees' obligations and liabilities hereunder shall survive the expiration or termination of this Lease Agreement.

11.2 Lessees shall indemnify, defend and hold the City, its officers, employees and agents harmless from all fines, suits, procedures, claims and actions of every kind, and all costs associated therewith (including the costs and fees of attorneys, consultants and experts) arising out of or in any way connected with any deposit, spill, discharge or other release of Hazardous Substances and the violation of any Environmental Law and other applicable law by Lessees and/or Lessees' agents, guests, invitees, contractors, licensees and employees that occur during the term of this Lease or any extension thereof, or from Lessees' failure to provide all information, make all submissions, and take all actions required by all Authorities under the Environmental Laws and other applicable laws. Lessees' obligations and liabilities hereunder shall survive the expiration or termination of this Lease Agreement.

## SECTION TWELVE CONDITION OF THE PROPERTY

12.1 Lessees affirm that Lessees have inspected the Property and have received the Property premises in reasonably good order and condition. Lessees further affirm that the

condition of the Property is sufficient for the purposes of Lessees. The City makes no warranties nor promises, either express or implied, that the Property is sufficient for the purposes of Lessees.

12.2 In the event the Property is damaged due to fire, flood or any other act of nature or casualty, or if the canals, ditches or ditch laterals which provide irrigation water to the Property are damaged to the extent where they are no longer functional for the purposes of Lessees, the City shall have no obligation to repair the Property nor to otherwise make the Property usable or occupiable; damages shall be at Lessees' sole and absolute risk.

12.3 The City, its officers, agents, and employees retain the right to be on the Property during emergencies and may inspect the Property at any time without notice. The City, at its option, shall have the right to enter the Property to construct such facilities, as it deems necessary for the City to utilize water and water rights associated with and appurtenant to the Property for municipal or other use. Following such construction, the City shall have the right to use said water rights or make them available to the Lessees, as the City deems appropriate.

### SECTION THIRTEEN DEFAULT

13.1 If Lessees are in default in the performance of any term or condition of this Lease, the City, may, at its option, terminate this Lease upon 30 days written notice. If Lessees fail within any such 30-day period to remedy any default specified in the City's notice, this Lease shall automatically terminate. If Lessees remedy such default, Lessee shall not thereafter have the right of 30 days (to remedy) with respect to a subsequent similar default, instead the Lease shall terminate upon the giving of notice by the City

13.2 Unless agreed in writing signed by the City, the City's failure at any time to require performance by Lessees of any provision of this Lease shall not waive the City's right subsequently to enforce the same or any other provision or any other preceding or succeeding breach of any term or provision of this Lease. No extension of time for the performance of any obligation or act shall be deemed to be an extension of time for the performance of any other obligation or act under this Lease.

13.3 This Lease shall automatically terminate in the event Lessees or either Lessee: becomes insolvent; is subject to a bankruptcy filing whether or not voluntary or involuntary; is subject to an assignment for the benefit of creditors or if a receiver is appointed; if Lessees fail in any manner to comply with any of the terms, covenants, or conditions of this Lease to be kept and performed by Lessees; or should Lessees or a Lessee, by any act of negligence or carelessness, or through any act of commission or omission permit, or suffer to be permitted, damage to the Property or the demised premises in any substantial manner.

13.4 If this Lease is terminated by the City, except termination due to expiration of the lease term, Lessees shall have reasonable access to the Property for a reasonable time, not to exceed 30 days, to remove Lessees' personal property.

13.5 Upon termination of this Lease, Lessees shall remove all personal property and livestock from the property and demised premises within 30 days from the date of termination. If Lessees fail to remove Lessees' personal property and livestock within the time prescribed, the City shall not be responsible for the care and safekeeping thereof and may remove the same and store the same in a reasonable manner, the cost, expense and risk of which shall be Lessees'. Lessees hereby agree that items not timely removed may be sold by the City to cover expenses with net proceeds after expenses paid to Lessees. The City may also set off amounts owed under this Lease against proceeds of said sale.

13.6 Lessees shall not assign or sublease this Lease or any right or privilege connected therewith, or allow any other person, except as provided herein and except the employees of Lessees, to occupy the Property or any part thereof. Any attempted assignment, sublease, or permission to occupy the Property conveyed by Lessees shall be void and shall, at the option of the City, provide reasonable cause for the City to terminate this Lease. The interest of Lessees in this Lease is not assignable by operation of law without the formal approval of the City.

#### SECTION FOURTEEN MISCELLANEOUS PROVISIONS

14.1 The City, by entering into this Lease Agreement, does not part with its entire possession of the Property, but only so far as is necessary to enable Lessees to use, occupy and irrigate the Property and to carry out the duties, obligations, terms and provisions of this Agreement. The City reserves the right to at reasonable times have its officers, employees and agents enter into and upon the Property and every part thereof and to do such acts and things as may be deemed necessary for the protection of the City's interests therein.

14.2 It is expressly agreed that this Lease is one of lease and not of partnership. The City shall not be or become responsible for lost profits, lost opportunities or any debts contracted by Lessees. Lessees shall keep the Property free from any and all liens whatsoever, including, but not limited to, liens arising out of any work performed, materials furnished or obligations incurred by Lessees. Lessees shall save, indemnify and hold the City and the City's officers, employees, agents and assets harmless against all liability and loss, and against all claims or actions based upon or arising out of any claim, lien, damage or injury (including death), to persons or property caused by Lessees or sustained in connection with Lessees' performance of the duties, obligations, terms and conditions of this Agreement or the conditions created thereby, or based upon any violation of any statute, ordinance, code, rule or regulation, either now in force or hereinafter enacted, and the defense of any such claims or actions, including the costs and fees of attorneys, consultants and experts. Lessees shall also save, indemnify and

hold the City and the City's officers, employees, agents and assets harmless from and against all liability and loss in connection with, and shall assume full responsibility for the payment of, all federal, state and local taxes, fees or contributions imposed or required under unemployment insurance, social security and income tax laws with respect to employees engaged by Lessees.

14.3 The parties to this Lease Agreement warrant that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. Lessees agree to defend, indemnify and hold the City harmless from any claim for real estate brokerage commissions or finder's fees asserted by any other party claiming to be entitled to brokerage commissions or finder's fees arising out of or in connection with this Lease.

14.4 Lessees shall not pledge or attempt to pledge or grant or attempt to grant as collateral or security any of Lessees' interest in any portion of the Property.

14.5 Unless otherwise agreed to by the parties in writing, all improvements placed upon, under or about the Property or attached to the Property by Lessees shall be and become part of the Property and shall be the sole and separate property of the City upon the expiration or termination of this Lease.

#### SECTION FIFTEEN SURRENDER, HOLDING OVER

15.1 Lessees shall, upon the expiration or termination of this Lease, peaceably surrender the Property to City in good order, condition and state of repair. In the event Lessees fail, for whatever reason, to vacate and peaceably surrender the Property upon the expiration or termination of this Lease, Lessees agree that Lessees shall pay to the City the sum of \$100.00 per day for each and every day thereafter until Lessees have effectively vacated and surrendered the Property. The parties agree that it would be difficult to establish the actual damages to the City in the event Lessees fail to vacate and surrender the Property upon the expiration or termination of this Lease, and that said \$100.00 daily fee is an appropriate liquidated damages amount.

#### SECTION SIXTEEN ENFORCEMENT, PARTIAL INVALIDITY, GOVERNING LAW

16.1 In the event the City uses its Attorney or engages an attorney to enforce the City's rights hereunder, Lessees agree to pay any and all attorney fees, plus costs, including the costs of any experts.

16.2 The invalidity of any portion of this Lease Agreement shall not affect the validity of any other provision contained herein. In the event any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision(s).

16.3 This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Venue for any action to enforce any covenant or agreement contained herein shall be in Mesa County, Colorado.

SECTION SEVENTEEN  
CITY'S RIGHT TO BUYOUT

17.1 In the event the City determines to sell the property or to utilize it for other municipal purposes, other than to lease it for another agricultural operation, the City may, upon expiration of the first lease year April 30, 2021 and thereafter anytime during the remaining term of the Lease, have the right to terminate this lease by giving six month advanced written notice. In such event, Lessees shall be compensated in an amount equal to one-half the annual rent for the lease year in which the Lease is terminated. In the event this Lease is terminated pursuant to this Section, Lessees shall have reasonable access to the Property for a reasonable time, not to exceed 30 days, to remove Lessees' personal property.

SECTION EIGHTEEN  
MISCELLANEOUS

18.1 All notices to be given with respect to this Agreement shall be in writing delivered either by United States mail or Express mail, postage prepaid, or personally by hand or by courier service, as follows:

To the City:

City of Grand Junction  
Attn: Water Services Manager  
333 West Avenue Bldg. E  
Grand Junction, CO 81501-2668

With Copy to:

City of Grand Junction  
Attn: City Attorney  
250 North 5<sup>th</sup> Street  
Grand Junction, CO 81501-2668

To Lessees:

Dennis and Lora Wynn  
5881 Purdy Mesa Road  
Whitewater, CO 81527

All notices shall be deemed given: (a) if sent by mail, when deposited in the mail, or (b) if delivered by hand or courier service, when delivered. The parties may, by notice as provided above, designate a different address to which notice shall be given.

18.2 Legal Counsel / Ambiguities. The City and Lessees have each obtained the advice of its/their own legal and tax counsel regarding this Agreement or has knowingly declined to do so. Therefore, the parties agree that the rule of construing ambiguities against the drafter shall have no application to this Agreement.

18.3 Total Agreement; Applicable to Successors. This Lease Agreement contains the entire agreement between the parties. All representations made by any officer, agent or employee of either party, unless included herein, are null and void and of no effect. Except for automatic expiration or termination, this Agreement may not be changed, altered or modified except by a written instrument subsequently executed by both parties. This Lease Agreement and the duties, obligations, terms and conditions hereof apply to and shall be binding upon the respective heirs, successors and authorized assigns of both parties.

Attest:



The City of Grand Junction,  
a Colorado home rule municipality

Wanda Winkelmann 04/03/2021  
date

Greg Caton 4/30/2021  
Greg Caton  
City Manager  
date

Lessees:

Lora Wynn 12-4-2020  
Lora Wynn  
date

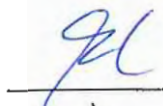
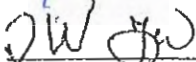
Dennis Wynn 12-4-2020  
Dennis Wynn  
date

## Appendix A

Click Ranch lease:

### Performance Objectives:

1. Lessees will utilize the land for grazing as appropriate. Cattle trespass situations on neighboring public and private lands shall be dealt with promptly. Failure to respond within a 48-hour period after receiving notification of a trespass situation may result in notice to the Lessees of forfeiture of the lease as outlined in Section 13 of this Lease.
2. Water available to City lands, either by *direct* flow or *stored* water, will be utilized by the Lessees to the fullest extent possible, not wasted. Return flows from City lands will be minimized to the extent possible. Flows will be measured where weirs are installed and recorded by the Lessees as flows change at the head-gates to ditches feeding City lands and in the laterals feeding various irrigated pastures. This usage will be recorded in a manner directed by the City when requested. Water conservation practices and improvements are important for the Lessees to undertake as, from time to time, water will be removed from ranch lands for other decreed purposes.
3. The Lessees are responsible for improvements to leased properties as stated in the Lease. Work of a permanent nature either to buildings or land is subject to City approval. This includes but is not limited to new roads, new fences, new ditches, woodcutting and drainage improvements. These can be discussed at meetings or at other times arranged between the City and the Lessees.
4. Subleases to or use of City buildings by individual(s), other than the Lessees, must be approved in advance by the City Utility Department. Reimbursements for a sublease, either monetarily or in exchange for services, must be approved by the City.
5. Relationships with neighboring landowners and water users are important to the City of Grand Junction. Cordial relationships with other private and public landowners is material to continued use of City lands for water development purposes. Lessees will take special care to work with neighboring landowners and users on all grazing, water, weed, and fencing issues.

  
\_\_\_\_ City  
  
\_\_\_\_ Lessees

## EXHIBIT "A"

### LEGAL DESCRIPTION OF THE CLICK RANCH LEASE An outline of the Property is included with Exhibit "B"

#### PARCEL NO. 1:

Lots 6, 9 and 15 in Section 32, Township 12 South, Range 97 West of the 6th Principal Meridian, County of Mesa, State of Colorado, and Lot 2 of Section 5, Township 13 South, Range 97 West of the 6th Principal Meridian, County of Mesa, State of Colorado.

#### PARCEL NO. 2:

Beginning at a point on the West line of Tract 46 in Section 32, Township 12 South, Range 97 West of the 6th Principal Meridian, which is South 1052.40 feet from the Northwest Corner (Corner No. 2) of said Tract 46; thence along the centerline of the County Road (Purdy Mesa Road) S 81°16'30" E a distance of 132.74 feet; thence continuing along the centerline of said County Road, S 58°09'47" E a distance of 22.12 feet; thence South a distance of 1454.20 feet; thence S 89°51'55" W a distance of 150.00 feet; thence North a distance of 1486.36 feet along the West line of said Tract 46 to the Point of Beginning,

EXCEPT a parcel of land situated in Lots 9 and 15 of said Section 32 described as follows:

Beginning at the Southwest Corner of said Lot 15 (said point also being the North 1/4 Corner of Section 5, Township 13 South, Range 97 West), being S 89°45'26" E a distance of 66.00 feet from a 1908 witness corner brass cap in place; thence S 00°00'00" E a distance of 666.00 feet along the West line of Lot 2 in Section 5; thence S 89°45'26" E a distance of 659.26 feet; thence N 00°00'00" E a distance of 866.00 feet; thence N 73°20'46" E a distance of 688.13 feet to the East line of said Lot 15; thence S 64°51'00" W along a fence line a distance of 1101.69 feet; thence S 62°21'00" W along a fence line a distance of 362.43 feet to the West line of said Lot 15; thence S 00°01'00" W along the West line of said Lot 15 a distance of 766.30 feet to the Point of Beginning of said Exception,

AND INCLUDING a parcel of land situated in Lot 15 of said Section 32 described as follows:

Beginning at the Southeast Corner of said Lot 15; thence S 00°00'00" E a distance of 666.00 feet; thence N 89°45'26" W a distance of 659.26 feet; thence N 00°00'00" E a distance of 866.00 feet; thence N 73°20'46" E a distance of 688.13 feet to the East line of said Lot 15; thence S 00°00'00" E a distance of 400.00 feet along the East line of said Lot 15 to the Point of Beginning of said Inclusion.



EXHIBIT  
"B"

ebbles



 Click Ranch Lease 113 acres  
 Click Ranch Irrigated Area 45 acres