

ORDINANCE NO. 5217

**AN ORDINANCE APPROVING A LEASE WITH BUENA VIDA HQ LLC FOR 6/10THS
OF AN ACRE OF PROPERTY WEST OF 535 HALE AVENUE IN DOS RIOS
SUBDIVISION, GRAND JUNCTION, COLORADO**

Recitals:

The City of Grand Junction (City) and Buena Vida HQ LLC (Tenant) have agreed to certain terms and conditions by which the City will lease approximately 26,395 square feet (.60 acres) of City property to the Tenant for the Tenant's use in support of a redevelopment project at/near 535 Hale Avenue.

Those terms and conditions have been reduced to an agreement (Lease) by and between the City and the Tenant. The initial term of the Lease shall be twenty-five years, with consideration for a renewed lease(s) thereafter, all as provided in the Lease.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION,
COLORADO AS FOLLOWS:

1. Approval. The Lease agreement for approximately 26,395 square feet (.60 acres) of City property for the Tenant's use in support of a redevelopment project at 535 Hale Avenue in the form attached is hereby approved. The City Manager is hereby authorized to execute the Lease by and on behalf of the City.
2. Severability. If any part or provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this Ordinance are declared to be severable.
3. Safety Clause. The City Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this Ordinance bears a rational relation to the legislative object sought to be obtained.

INTRODUCED AND ADOPTED on first reading this 17th day of April 2024 by the City Council of the City of Grand Junction, Colorado and order published in pamphlet form.

PASSED AND APPROVED on second reading this 1st day of May 2024 by the City Council of the City of Grand Junction, Colorado and order published in pamphlet form.



Abram Herman
President of the City Council

Attest:



Amy Phillips
City Clerk



LEASE AGREEMENT

This Land/Ground Lease Agreement ("Agreement") is entered into as of the ____ day of _____, 2024, ("Effective Date") by and between City of Grand Junction, Colorado, a Colorado home rule municipality ("City" or "Landlord") and Buena Vida HQ, LLC, a Colorado limited liability company ("Tenant"). Landlord and Tenant may each be referred to in this Agreement individually as a "Party" and collectively as the "Parties."

For good and valuable consideration stated herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Agreement to Lease. Landlord agrees to lease to Tenant and Tenant agrees to lease from Landlord, according to the terms and conditions set forth herein, the following real estate (the "Site" or "Property"): a parcel of land situated in the Northwest Quarter of the Northeast Quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 22, Township 1 South, Range 1 West, of the Ute Meridian, City of Grand Junction, County of Mesa, State of Colorado. Said parcel contains an area of 26,395 square feet, 0.60 Acres as herein described. The Site is adjacent to 535 Hale Avenue in the Dos Rios development. The legal description is in "Exhibit A: Tent Lease Area Legal Description", which Exhibit A is attached and incorporated by this reference as if fully set forth.

2. Purpose. The Site may be used and occupied only for certain purposes ("Permitted Uses") described herein. The Permitted Uses are: food and alcohol service, retail, camping, lounging, community facilities, recreation, entertainment and relaxation, as the same are allowed by zoning and permitted by the City. Nothing herein shall give Tenant the right to use the Site for any other purpose without the prior written consent of Landlord. Landlord makes no representation or warranty regarding the legality of the Permitted Uses, and Tenant will bear all risk of any adverse change in applicable laws.

3. Term. This Agreement will be for a term beginning on June 01, 2025 and ending on May 31, 2050 ("Term"). Tenant has an option to lease the Property for an additional twenty five (25) year term by giving Landlord notice of exercise of the second term not less than 180 days before the end of the then current Term. The Parties hereto may otherwise elect to extend this Agreement upon such terms and conditions as may be agreed upon in writing and signed by the Parties at the time of any such extension.

4. Rent. Tenant will pay Landlord rent in advance \$1.00 in annual installments due on the 1st day of June each year during the Term.

5. Taxes. Tenant shall pay all real property taxes or assessments which are levied or charged on the Site during the Term, including any taxes or assessments levied or charged against the Tenant Improvements and Tenant's leasehold interest and the Site.

6. Delivery of Possession. Landlord will deliver exclusive and lawful possession of the Site to Tenant on the start date of the Term. In the event Landlord is unable to give possession of the Site to Tenant on such date, Landlord will not be subject to any liability for such failure, the validity of this Agreement will not be affected, and the Term will not be extended. Tenant will not be liable for rent until Landlord gives possession of the Site to Tenant.

7. Holdover Tenancy. Unless this Agreement has been extended by mutual written agreement of the Parties, there will be no holding over past the Term under the terms of this Agreement under any circumstances. If Tenant does retain possession past the Term, Tenant shall pay 100% of the then applicable rent computed on a monthly basis for each month or portion thereof during such holdover. In addition, Tenant shall be liable for any damages incurred by Landlord as a result of the holdover.

8. Condition of the Site. Tenant has examined the Site and accepts the Site in its current condition "AS IS" and "WITH ALL FAULTS." except as expressly set forth herein, landlord makes no representation OR warranty, express or implied, or arising by operation of law, including but not limited to, any warranty of fitness for a particular purpose, merchantability, habitability, SUITABILITY, or condition. tenant acknowledges that Tenant has not relied on any representations or warranties by Landlord in entering this Agreement.

9. Use of the Site. Tenant agrees to use the Site only for the Permitted Uses and will not commit waste upon the Site. Tenant will, at its sole expense, maintain the Site in good repair and make all necessary repairs thereto. Tenant will not use the Site for any unlawful purpose or in any manner that will materially harm Landlord's interest in the Site.

10. Improvements and Alterations. Tenant may make improvements, alterations, additions, or other changes to the Site to allow the Permitted Uses without the written approval of the Landlord but in accordance with applicable law. Tenant agrees to manage and maintain trash and vegetation on the property. Tenant and Landlord agree to co-manage erosion and other potential floodplain issues. All improvements, alterations, additions, or other changes to the Site shall become the property of Landlord upon the termination of this Agreement. Tenant shall have the right to erect any sign related to its business, on the condition that such signs comply with the law.

11. Leasehold Mortgage. Tenant does have the right to grant a mortgage, deed of trust, or other security instrument in Tenant's interest to the Site created by this Agreement (the "Leasehold Mortgage") to secure repayment of a loan made to Tenant to finance construction of any improvements made to the Site during the Term. In no event will any interest of Landlord in the Site be pledged as collateral for or be subordinate to any Leasehold Mortgage.

12. No Mechanics Lien. Tenant will not permit any mechanics or other liens to be filed against Landlord's interest to the Site as a result of any work performed for or obligations incurred by Tenant. Tenant will indemnify Landlord for any liability, cost, or expense, including attorney's fees, in the event any such lien is filed.

13. Permits and Approvals. Tenant will be responsible for obtaining all licenses, permits, and approvals required by any federal, state or local authority in connection with its use of the Site. Landlord will cooperate with Tenant and provide the necessary documents to obtain such licenses, permits, and approvals.

14. Compliance with Laws. Tenant covenants and agrees to comply with all federal, state and local laws, regulations and ordinances affecting the Site and use of the Site, including applicable environmental laws. In addition, Tenant will comply with all requirements necessary to keep in force fire and liability insurance covering the Site.

15. Hazardous Substances. Tenant will not keep or store on the Site any item of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire or explosion on the Site or that might be considered hazardous or extra hazardous by any responsible insurance company.

16. Insurance. At all times during the Term, Tenant will maintain insurance for the Site covering:

a. Property Insurance. Property insurance covering all of Tenant's improvements, equipment, and other personal property located on the Site.

b. General Liability. Commercial liability insurance covering bodily injury, death, or property damage in an amount not less than \$1,000,000.00 per occurrence.

All insurance policies shall name Landlord as an additional insured or interested party. Tenant will provide Landlord certificates evidencing the required insurance policies prior to the start date of the Term.

17. Waiver of Subrogation. Landlord and Tenant each waive any and all claims or rights to recovery against the other Party for any loss or damage to the extent such loss or damage is covered by insurance or would be covered by insurance as required under this Agreement. Landlord and Tenant will cause each insurance policy carried by Landlord or Tenant relating to the Site to include or allow a full waiver of any subrogation claims.

18. Indemnification. To the extent permitted by law, Tenant agrees to indemnify, defend, and hold harmless Landlord from any and all claims, actions, liabilities, suits, demands, damages, losses, or expenses, including attorneys' fees, arising out of or relating to (i) Tenant's use and occupancy of the Site, (ii) any work done by or on behalf of Tenant on the Site, (iii) Tenant's negligence or willful misconduct, and/or (iv) Tenant's breach or default of any of the terms of this Agreement, provided however, Tenant's

obligations under this section shall not extend to any claims actions, liabilities, suits, demands, damages, losses, or expenses arising from the sole negligence or willful misconduct of Landlord.

19. Access to Site. Landlord or its agents may have access to the Site at reasonable times to inspect the Site, to confirm compliance with the terms of this Agreement, and as otherwise needed to perform its obligations under this Agreement.

20. Default. The following shall each constitute an "Event of Default" by Tenant:

- a. Tenant fails to make any required payment due under this Agreement.
- b. Tenant fails to perform any obligation or condition or to comply with any term or provision of this Agreement.
- c. Tenant files a petition for bankruptcy, reorganization or similar relief, or makes an assignment for the benefit of creditors.

21. Termination by Landlord. Upon the occurrence of an Event of Default by Tenant which continues for a period of sixty (60) days after receiving written notice of the default from Landlord, Landlord has the right to terminate this Agreement and take possession of the Site. Landlord's rights hereunder shall be in addition to any other right or remedy now or hereafter existing at law or equity.

22. Termination by Tenant. In the event of a breach by Landlord of any of its obligations, covenants, or agreements under this Agreement which continues for a period of sixty (60) days after receiving written notice of the breach from Tenant, Tenant has the right to terminate this Agreement, upon written notice to Landlord, without penalty. Landlord shall return to Tenant any prepaid or prorated rent if Tenant terminates this Agreement pursuant to this section. Tenant may terminate this Agreement for any reason, with or without cause, upon written notice to Landlord not less than 180 days from the effective date of termination.

23. Surrender of the Site. Tenant shall return the Site to Landlord upon termination of this Agreement in good condition and repair, ordinary wear and tear excepted. Within sixty (60) days following the termination of this Agreement, Tenant will remove all improvements, equipment, materials, fixtures and other personal property belonging to Tenant from the Site. Any property left on the Site after sixty (60) days following the termination of this Agreement will be deemed to have been abandoned by Tenant and may be retained by Landlord.

24. Subordination. This Agreement and Tenant's right hereunder shall be subject and subordinate in all respects to any mortgage, deed of trust, or other lien now or hereinafter incurred by Landlord. Upon request of Landlord, Tenant will enter into a subordination agreement or other customary form as required by the lien holder.

25. No Partnership. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture or any other fiduciary relationship between the Parties other than that of Landlord and Tenant. Neither Party is authorized to act as an agent or on behalf of the other Party.

26. Condemnation. In the event that all or a material portion of the Site necessary for Tenant's Permitted Use of the Site is taken for any public or quasi-public use under any governmental law, ordinance or regulation or by the right of eminent domain, this Agreement shall terminate on the date of such taking, and all rent under this Agreement shall be prorated and paid to such date. In the event such taking is less than a material portion of the Site, this Agreement shall remain in full force and effect; provided however, the rent due under this Agreement shall be reduced to such extent as may be fair and reasonable under the circumstances. Landlord and Tenant shall each be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings.

27. Limitation of Liability. Landlord is not responsible or liable for any loss, claim, damage or expense as a result of any accident, injury or damage to any person or property occurring anywhere on the Premises, unless resulting from the negligence or willful misconduct of Landlord.

28. Assignment and Subletting. Tenant will not assign this Agreement as to all of or any portion of the Site or make or permit any total or partial sublease or other transfer of all of or any portion of the Site without Landlord's consent which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant may assign this Agreement to an entity in which Tenant or Tenant's member holds a management and/or ownership interest.

29. Quiet Enjoyment. If Tenant pays the rent and performs all other obligations under this Agreement, Tenant may peaceably and quietly hold and enjoy the Site during the Term.

30. Force Majeure. In the event that Landlord or Tenant shall be delayed or hindered in or prevented from the performance of any act other than Tenant's obligation to make payments of rent, additional rent, and other charges required hereunder, by reason of strikes, lockouts, unavailability of materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, the act, failure to act, or default of the other Party, war or other reason beyond its control, then performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay.

31. Notices. All notices given under this Agreement must be in writing. A notice is effective upon receipt and shall be delivered in person, sent by overnight courier service or sent via certified or registered mail, addressed to Landlord or Tenant at the address

stated above, or to another address that either Party may designate upon reasonable notice to the other Party.

32. Further Assurances. Each Party hereto agrees to execute and deliver any additional documents and to do all such other acts as may be necessary to carry out this Agreement and each Party's rights and interests in this Agreement.

33. No Waiver. No Party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly in writing.

34. Severability. If any provision of the Agreement is held to be invalid, illegal, or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal, and enforceable as though the invalid or unenforceable parts had not been included in this Agreement.

35. Successors and Assignees. This Agreement will inure to the benefit of and be binding upon the Parties and their respective permitted successors and assigns.

36. Governing Law/Jurisdiction and Venue. The terms of this Agreement shall be governed exclusively by the laws of the City of Grand Junction and the State of Colorado, without regard to its conflicts of laws rules. Jurisdiction and venue for any action to enforce, interpret or otherwise arising from this Agreement shall only be in the state courts located in Mesa County, Colorado.

37. Amendments. This Agreement may not be modified except in writing signed and acknowledged by both Parties.

38. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together, shall constitute one and the same document.

39. Headings. The section heading herein are for reference purposes only and shall not otherwise affect the meaning, construction, or interpretation of any provision in this Agreement.

40. Entire Agreement. This Agreement constitutes the entire understanding between the Parties and supersedes and cancels all prior agreements of the Parties, whether oral or written, with respect to the Site.

[signatures follow on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

CITY OF GRAND JUNCTION, COLORADO,
a Colorado home rule municipality

Greg Caton, City Manager
City/Landlord

BUENA VIDA HQ, LLC,
a Colorado limited liability company

Jennifer R. Taylor as Member of Buena Vida
HQ LLC
Tenant

I HEREBY CERTIFY THAT the foregoing Ordinance, being Ordinance No. 5217 was introduced by the City Council of the City of Grand Junction, Colorado at a regular meeting of said body held on the 17th day of April 2024 and the same was published in The Daily Sentinel, a newspaper published and in general circulation in said City, in pamphlet form, at least ten days before its final passage.

I FURTHER CERTIFY THAT a Public Hearing was held on the 1st day of May 2024, at which Ordinance No. 5217 was read, considered, adopted, and ordered published in pamphlet form by the Grand Junction City Council.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 3rd day of May 2024.


Deputy City Clerk

Published: April 19, 2024
Published: May 03, 2024
Effective: June 02, 2024

