## LEASE AGREEMENT

This Lease Agreement (*"Lease"*), effective this <u>21st of May, 2024</u> (*"Effective Date"*), is entered into by and between the City of Grand Junction, a Colorado home rule municipality as landlord (*"City"* or *"Landlord"*), and Mesa County, as tenant (*"County"*). The City and County may each be referred to as a *"Party"* and together as the *"Parties."* 

### RECITALS

- A. The City owns certain real property located at 2553 Riverside Parkway in the County of Mesa, State of Colorado, commonly known as City Fleet and Municipal Services Campus ("Campus").
- B. The City desires to lease to the County and the County desires to lease from the City a portion of real property on the Campus, comprising not to exceed 54,000 square feet together with access easements, in the general location described in the attached Exhibit A and shown in the attached Exhibits B and C. Exhibits A, B and C are incorporated herein by reference as if fully set forth ("Premises")
- C. The County desires to lease the Premises to construct and operate a new transit fleet maintenance facility ("Transit Fleet Maintenance Facility" or "Facility"), subject to the terms and conditions of this Lease Agreement ("Lease"). The site logistics plan for the Facility is shown on Exhibit D, which Exhibit is attached and incorporated herein by reference as if fully set forth.
- D. The County has received state and federal grant funding for the purpose of constructing, maintaining, managing and operating the Facility.
- E. The Facility will be a free-standing building used to maintain Grand Valley Transit fleet and will be owned and maintained by the County in accordance with the terms of this Lease. As otherwise provided the Transit Fleet Maintenance Facility shall be constructed so that in the event of termination or upon expiration of this Lease the County may remove the building from the Premises, or the building may be acquired by the City. The site plan for the Facility is shown on Exhibit C, which Exhibit is attached and incorporated herein by reference as if fully set forth.
- F. The City recognizes the benefits of having a new Transit Fleet Maintenance Facility and the benefits the Transit Fleet Maintenance Facility will bring to the citizens of Grand Junction and Mesa County.
- G. The GVRTC supports the construction of the Transit Fleet Maintenance Facility and the cooperation by and between the City and the County to further GVT operations.

### AGREEMENT

For and in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Mesa County and the City agree as follows:

- 1. LEASE. In consideration of the rents, covenants and agreements contained in this Lease, the City leases to the County the Premises under the terms and conditions of this Lease.
- 2. TERM; RENEWAL. The term of this Lease shall be twenty-five (25) years ("Term"), starting on the *Effective Date* also known as the *Lease Commencement Date*. Upon expiration of the Term a subsequent term(s) may, on mutual agreement of the governing bodies of the Parties be established for a term(s) of ten (10) years (a "Renewal Term"), unless either Party notifies the other in writing not less than 180 days prior to the end of the then-existing term that the notifying Party does not wish

to renew the Lease. In the event of nonrenewal by the City, if the building has not reached the end of its assumed 40-year useful life per the Federal Transit Administration (FTA) definition of useful life then in effect, the County shall remove the Facility (building and improvements) or the City may acquire the Facility in accordance with paragraph 17.

- 3. RESERVATIONS FROM LEASE. The City reserves from this Lease and retains unto itself:
- a. Any and all subsurface rights underlying and/or appurtenant to the Premises.

# 4. RENT AND UTILITIES.

- a. During the Term and any Renewal Term the County shall pay to the City annual rent for each lease year in the amount of TEN DOLLARS (\$10.00) ("Rent") for the Premises. The Parties agree that rent should not increase during the useful life of the Transit Fleet Maintenance Facility. Rent shall be due annually on the thirty-first day of January following the Lease Commencement Date, without notice, demand, abatement, deduction, or setoff unless otherwise specifically permitted in this Lease.
- b. The facility will be separately metered and the County shall be obligated to pay for all utilities required for the operation of the Facility.
- 5. PERMITTED USE. The County shall use the Premises to construct and operate a Transit Fleet Maintenance Facility for use by the County and its contractor's and employees, as well as City employees ("Personnel") for maintenance of GVT fleet and other related uses. The County shall not use or occupy the Premises nor allow any other person to use or occupy the Premises for any purpose prohibited by this Lease or by the applicable laws of the United States of America, the State of Colorado, the City of Grand Junction, Mesa County or any other governmental authority or any jurisdiction having authority over uses and activities conducted upon the Premises.
- 6. CONSTRUCTION. The City has been part of the technical team regarding the design and amenities of the Transit Fleet Maintenance Facility; however, the County shall have final authority over all aspects of the design and construction of the Transit Fleet Maintenance Facility. The County shall ensure the Transit Fleet Maintenance Facility complies with all applicable fire, building and life safety codes. The County shall pay for all costs of construction of the Facility.
- a. Building Requirements. The size and location of the Transit Fleet Maintenance Facility has been agreed upon by the Parties and is shown on Exhibit C. The Transit Fleet Maintenance Facility includes eight bays as well as a wash bay, office and parts storage, restrooms and a farebox repair and vault room.
- b. Access During Construction. The City hereby grants to the County and its respective agents, employees, contractors, materialmen and laborers a temporary easement for access and passage to the Facility to construct or maintain the Transit Fleet Maintenance Facility, including for construction staging areas and equipment and material storage areas as shown in Exhibit D. The Parties agree that such easement shall be in effect only during periods when actual construction or maintenance is being performed and provided further that the use of such easement shall not be exercised so as to unreasonably interfere with the use and operation of the Campus. The County shall restore any affected portion of the Campus subject to this subsection to a condition which is equal to the condition which existed prior to the commencement of such use pursuant to this subsection.
- c. Utilities. The County shall, at its sole cost and expense, construct, extend and connect the water, sewer, gas, electric, telephone and internet utilities ("*Utilities*") as a cost of its construction of the Transit Fleet Maintenance Facility and ensure that each and every utility serving the Premises is metered separately from other buildings, facilities and operations on the Campus.

- d. To the extent any easements on, over, through, across or under the Campus are necessary to provide any utility service to the Premises, the City will separately grant, at no additional cost or expense to the County, such easements to the appropriate provider for the benefit of the County.
- e. Ownership of Transit Fleet Maintenance Facility. The Transit Fleet Maintenance Facility, together with any modifications, renovations, or improvements thereto, and all fixtures and personal property of the County on the Premises shall be the property of the County in accordance with the terms of this Lease. As otherwise provided the Transit Fleet Maintenance Facility shall be constructed so that in the event of termination, expiration, or non-renewal of this Lease, the County may remove the building from the Premises or the building may be acquired by the City in accordance with paragraph 17.

### 7. OPERATION AND MAINTENANCE.

- a. City Obligations. During the Term of this Lease and any Renewal Term, the City, at the City's sole cost and expense, shall provide the following services to the County:
  - i. Security for the Premises, including the Transit Fleet Maintenance Facility as customarily provided by the City for its facilities in the Campus.
  - ii Maintain the roadways and easement accessing the Transit Fleet Maintenance Facility as shown on Exhibits A, B and C.
  - ii. Maintain the landscaping around the Transit Fleet Maintenance Facility
- b. County Obligations. Except as otherwise specified in this Lease, the County shall:
  - i At its sole cost and expense, provide all maintenance and repair for the Transit Fleet Maintenance Facility, as the County determines, in its sole discretion, to be necessary for the operation and maintenance of the Facility
  - ii. At its sole cost and expense, be responsible for all interior connections, installations and recurring charges associated with the *Utilities* serving the Premises with the exception of utilities that the City of Grand Junction would like to control such as internet connections.
  - Maintain all aspects of the Premises and keep the Premises in a clean, safe, and healthy condition and in compliance with all applicable codes, ordinances, regulations, rules, and orders.
  - iv. Shall not permit any mechanic's lien, materialman's lien, or other claim or lien to be placed against the Premises by reason of any work, labor, service or material furnished or performed for the benefit of the County.
  - v. Shall waive and forego any claim, cause of action or demand the County may have against the City, its officers, employees, agents and assets for injury to or destruction of any property of the County as a result of the act, or failure to act, of the County, in accordance with the requirements of this Lease.
  - vi Shall 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. The County agrees 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 by or at the direction of

the County shall be reported immediately to the City. The County further agrees that all costs and responsibilities for cleaning, removing and abating any violation pursuant to this paragraph shall be borne solely by the County.

- vi. Be responsible for arranging and paying for all costs associated with trash and recycling services, and any custodial services.
- c. Remodeling. The County may, in its sole discretion, make any alterations, replacements, additions, or improvements to the Premises, including without limitation, the Transit Fleet Maintenance Facility. The County's alterations, replacements, additions, or improvements to the Premises, including withhold limitation to the Transit Fleet Maintenance Facility and the Facility itself will remain the property the County.
- d. Signage. The County may install informational (building name, address, hours of operation) signs on the Premises, including on the exterior of the Transit Fleet Maintenance Facility, so long as the signs are in compliance with City code and any applicable state and/or federal laws/guidelines. The County may not install commercial signs, including but not limited to product, sponsorship or promotional signs.
- e. Operations. The County shall have sole discretion with respect to staffing, naming, activities to be conducted, and all other operations of the Transit Fleet Maintenance Facility, unless such decisions might negatively impact other City operations at the Campus.
- 8. DAMAGE AND DESTRUCTION. If the Transit Fleet Maintenance Facility is destroyed or becomes untenable as a result of damage by fire or other casualty, the County shall have the right, but not the obligation, to repair and restore the Transit Fleet Maintenance Facility to its former state and condition. If the County elects not to repair or restore the Transit Fleet Maintenance Facility, this Lease shall be deemed terminated and of no further force or effect upon written notice to the City. The County agrees to remove the damaged improvement remains and debris from the Premises and restore the County agrees so that the City may use and occupy the same for the purposes conducted on the Campus within one hundred eighty (180) days of a decision to do so. If the Lease is terminated as provided in this paragraph, Mesa County's obligation for the payment of Rent shall cease as of the day following such casualty and the City and the County shall be released from any further obligations under this Lease except those Lease provisions that expressly survive termination.

### 9. REPRESENTATIONS AND WARRANTIES.

- a. The City's Representations and Warranties. The City represents and warrants to the County:
  - i Except for matters of record recorded in the Offices of the City Clerk and the Clerk and Recorder of the County, Colorado ("*Permitted Encumbrances*"), the City has good and marketable fee title to the Premises, has the full power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder, subject to the limitations of the City Charter, and has been duly authorized to execute and deliver this Lease and by proper action has duly authorized the execution and delivery of this Lease;
  - ii Except for Permitted Encumbrances, the Premises are not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance that would prohibit or materially interfere with the construction or usage of the Transit Fleet Maintenance Facility, or the use of the Premises as

contemplated by this Lease.

- The City's past and current uses of the Premises and, to the best of the City's knowledge, all past and current uses of the Premises have complied and currently comply with all federal, state and local environmental laws, rules, regulations and ordinances. Neither the City nor anyone on behalf of the City has received notice of any violations of any environmental law, rule, regulation or ordinance. No actions or lawsuits have been commenced or threatened by a governmental agency or any other person or entity claiming non-compliance with any environmental law, rule, regulation or ordinance.
- ii. The Premises is properly zoned for the construction and operation of the Transit Fleet Maintenance Facility for its intended purposes as set forth in this Lease.
- iv. The Premises are public property exempt from *ad valorem* property taxes and other assessments of any kind.
- b. The County's Representations and Warranties. The County represents and warrants to the City that the County has the authority to execute and to deliver this Lease and to perform all of its obligations hereunder and has duly authorized the execution and the delivery of this Lease.
- **10. INSURANCE.** The County, at its sole cost and expense, shall maintain at all times during the Term (including any Renewal Term) the following insurance coverage (in the amounts specified below, or in such other amounts as the County shall determine appropriate from time to time determine) with insurance companies and in a form reasonably satisfactory to the City:
- a. Worker's compensation insurance in the amounts and with the coverage required under Colorado law.
- b. Employer's liability insurance covering all of the County's employees working on the Premises within the scope of their employment with the County.
- c. Public liability and property damage liability insurance with the following limits: \$1,000,000 per each occurrence; \$2,000,000 general aggregate; and \$1,000,000 umbrella coverage.
- d. Fire and extended coverage insurance for the Transit Fleet Maintenance Facility and all of the County's equipment, fixtures, appliances, furniture, furnishings, and personal property in, on, or upon the Transit Fleet Maintenance Facility in the amount of the full replacement value of the foregoing without deduction for appreciation.
- e. Liability insurance coverage naming the City, its officers, employees, agents and assets as additional insured so as to protect the City and the City's officers, 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 Premises, including the County.

Each insurance policy stated in this paragraph shall name the City as an additional insured. The County will provide the City with documents demonstrating the insurance required by this Section within 30 days of Lease Commencement Date. At least thirty (30) days prior to the expiration date of any policy, the County shall deliver a renewal certificate for such policy to the City.

# 11. CONDITION OF THE PREMISES.

- a. The County has had an opportunity to inspect the Premises and accepts it in its "as is" current condition as of the Effective Date. The County affirms that the Premises is in good order and condition and sufficient for the purposes of this Lease. The City makes no warranties nor promises, either express or implied, that the Property is sufficient for the purpose of the County except as otherwise provided herein.
- b. In the event the Premises is damaged due to fire, flood or any other act of nature or casualty, or if the Premises is damaged to the extent that it is no longer functional for the purposes of the County, the City shall have no obligation to repair the Premises nor to otherwise make the Premises usable or occupiable; damages shall be at the County's sole and absolute risk.
- **12. NO WASTE.** The County shall not allow any waste or nuisance on the Premises or allow the Premises to be used for any unlawful purpose.
- **13. QUIET ENJOYMENT.** The City covenants that the County, upon paying rents and observing and performing all of the terms, covenants, and conditions on its part to be performed, shall peaceably and quietly enjoy the Premises for the term of this Lease.
- 14. HOLDOVER. If the Term (including any Renewal Term) expires and the City and the County have not otherwise agreed in writing to extend the Lease, any holding over or continued use by the County shall be construed to extend the Term as a tenancy from year-to-year and the County will continue to pay the yearly Rent set faith in this Lease and otherwise shall be subject to all terms and conditions of this Lease. Each Party shall give the other Party 180 day written notice of termination of such holdover tenancy, and Section 17 shall apply to such termination.
- 15. ASSIGNMENT AND SUBLETTING. The County must obtain the City's written consent before assigning this Lease or subleasing all or any part of the Premises to any party other than an entity related to the County or the State of Colorado. Such consent may not be unreasonably withheld, conditioned, or delayed. Any attempted assignment, sublease or permission to occupy the Premises conveyed by the County shall be void and shall, at the option of the City, provide reasonable cause for the City to terminate this Lease. The interest of the County in this Lease is not to be assignable by operation of law without the formal approval by the City.

# 16. DEFAULT; REMEDIES.

- a. Default.
  - i Except as set forth in (ii) below, either Party shall be in default hereunder if it fails to perform or observe any provision of this Lease, and this failure to perform or observe continues for sixty (60) days after receipt of written notice of such default from the non-defaulting Party, or, if such default is not capable of being cured within sixty (60) days, the defaulting Party promptly starts the process to cure such default in a commercially reasonable time.
  - ii. The County shall be in default hereunder if the County abandons or vacates the party and/or is declared bankrupt, insolvent, make an assignment for the benefit of creditors, or if a receiver is appointed.
  - ii. The County shall be in default hereunder if it fails to make any payment due under this Lease within ninety (90) days after receipt of written notice of such default from the City.
- b. Remedies. If a Party is in default hereunder, the non-defaulting Party may (without limiting its other rights and remedies):

- i. cure the default, and any amount paid by the non-defaulting Partyfor such purpose shall be due from the defaulting Party within ten (10) days after written demand for payment from the non-defaulting Party; or
- ii terminate the Lease pursuant to Section 17.

## 17. TERMINATION; SURRENDER OF PREMISES.

- a. Termination. The City, upon default by the County or the County at any time, may terminate this Lease. Either Party terminating the Lease under this Section shall give notice of termination to the other Party at least 180 days prior to such termination. If the lease is terminated or not renewed before the end of its useful life, the City must acquire the Transit Fleet Maintenance Facility for the amount FTA requires for early disposition of the Facility
- b. Surrender. Upon Termination or at the end of the useful life of the facility, Mesa County shall peaceably surrender to the City the Premises in good order, condition, and repair, reasonable wear and tear excepted.

## **18. MISCELLANEOUS.**

- a. Right of Entry. The City reserves the right to have its officers, employees and agents enter into and upon the Premises at any time in the case of emergency, and otherwise at reasonable times and upon reasonable notice, to verify Tenant's compliance with this Lease.
- b. Lost Profits/Opportunity. This Lease is one of a Lease and not of partnership. The City shall not be or become responsible for lost profits, lost opportunities or any debts contracted by the County.
- c. Liens. The County shall keep the Premises 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 the County.
- d. No Solicitation. The parties to this Lease 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. The County shall not pledge or attempt to pledge or grant or attempt to grant as collateral or security any of the County's interest in any portion of the Property.
- e. Improvements. All improvements placed upon, under or about the Property or attached to the Property by Lessee shall be the sole and separate property of the Lessee upon expiration or termination of this Lease. At termination, the City may purchase the Facility and/or any improvements for a price and terms mutually agreed to by the City and the Lessee.
- f. Recording. The City may record this Lease or a memorandum of lease, in the real property records of Mesa County, Colorado.
- g. Governmental Immunity. Notwithstanding any other provision of this Lease to the contrary, nothing in this Lease is intended to be, and shall not be construed as, a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the Parties, or their councilors, directors, trustees, officers, employees, volunteers, or agents, under common law or pursuant to statute, including but not limited to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as now or hereafter amended.
- h. Non-Appropriation. All direct and indirect financial obligations of a Party under this Lease are subject to appropriation, budgeting, and availability of funds to discharge such obligations. If a Party's governing body fails to appropriate funds for that Party's obligations under this Lease, this Lease shall terminate on January 1 of the year for which the non-appropriation occurred, and

neither Party shall have any further obligation to the other Party under this Lease beyond the financial obligations for which it previously appropriated funds.

- i. Attorney Fees and Court Costs. The prevailing Party in any legal action brought pursuant to this Lease-including an action for eviction-shall be entitled to receive its costs and reasonable attorney fees from the non-prevailing Party.
- j. Notices. All notices or demands under this Lease shall be in writing and shall be deemed given and received when
  - i. delivered personally;
  - ii. in the case of nationally recognized overnight courier service, notice shall be deemed to have been given and received on the next business day following its deposit with such courier service;
  - iii. in the case of the U.S. Postal Service, notice shall be deemed to have been given and received on the third business day after the deposit of a postage prepaid, certified return receipt requested, envelope, containing the notice, addressed to the receiving party, with the U.S. Postal Service;
  - iv. in the case of facsimile or electronic mail transmission, notice shall be deemed to have been given and received on the day of such transmission. All notices shall be given to the respective Parties at the addresses below, until further written notice. Notice must be given to all Parties to be effective.

To City:	To Mesa County:
City of Grand Junction	Mesa County
Attention: City Manager	Attention: County Administrator
250 North 5th Street	544 Rood Ave
Grand Junction, CO 81501-2668	Grand Junction, CO 81501
With a copy to:	With a copy to:
City of Grand Junction	Mesa County
Attention: City Attorney	Attention: County Attorney
250 North 5th Street	544 Rood Ave
Grand Junction, CO 81501	Grand Junction, CO 81501

- k. Modifications. Modifications to this Lease are effective when made in writing and signed by the Parties and by referring to this Lease.
- 1. Governing Law and Venue. Colorado law governs the interpretation of this Lease and any legal action brought to enforce the terms of this Lease must be brought 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. In the event of a dispute about the understandings and agreements established by this Lease that cannot be resolved by the parties, the Parties agree that they shall proceed, in good faith, to mediation. Completion of mediation shall be a precondition to the initiation of legal action. The Parties will jointly appoint an acceptable mediator and will share equally in the cost of the mediation. The obligation to mediate will terminate if the entire dispute is not resolved within sixty (60) days of the date written notice requesting the mediation is delivered by one Party to the other.

m. Severability. If any provision of this Lease should be held invalid or unenforceable, the

remaining provisions shall remain effective and in full force and effect as if they had been executed by the Parties subsequent to the expungement of the invalid provision(s).

- n. Complete Agreement, Applicable to Successors. This Lease 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 Lease may not be changed, altered or modified except by a written instrument subsequently executed by both Parties. This Lease 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.
- o. Integration. This Lease, including all exhibits, sets forth the entire agreement between the City and the County.
- p. Execution. This Lease may be executed in counterparts.

IN WITNESS WHEREOF, the City and the County have executed this Lease or, as the case may be, have caused their officers, partners, or agents to execute this Lease as of the Effective Date.

THE CITY OF GRAND JUNCTION

Abram Herman President of the City Council

05/14/2024

Date

MESA COUNTY acting by and through the Mesa County Board of County Commissioners

**Bobbie** Daniel

Mesa County Commissioner

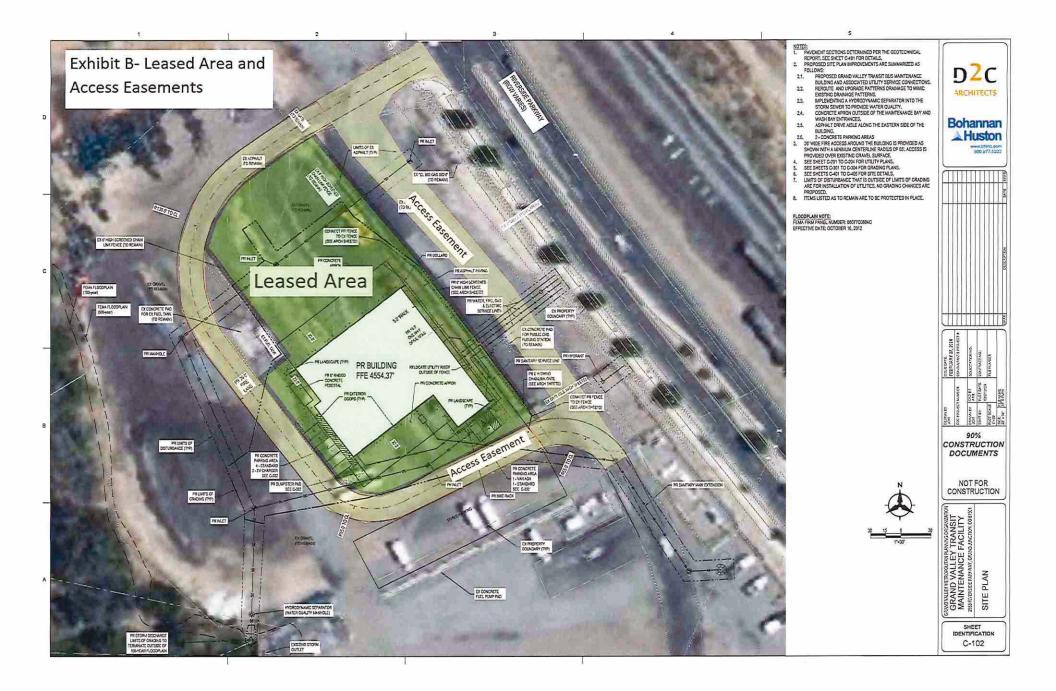
5-21-2024 Date

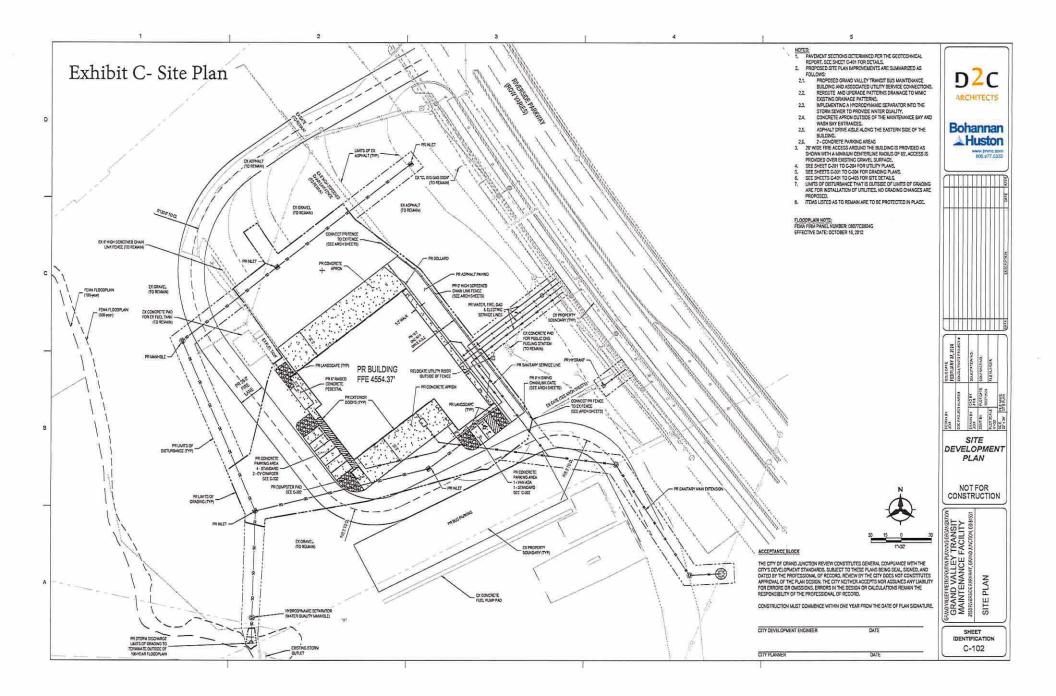
# **Exhibit A- Description**

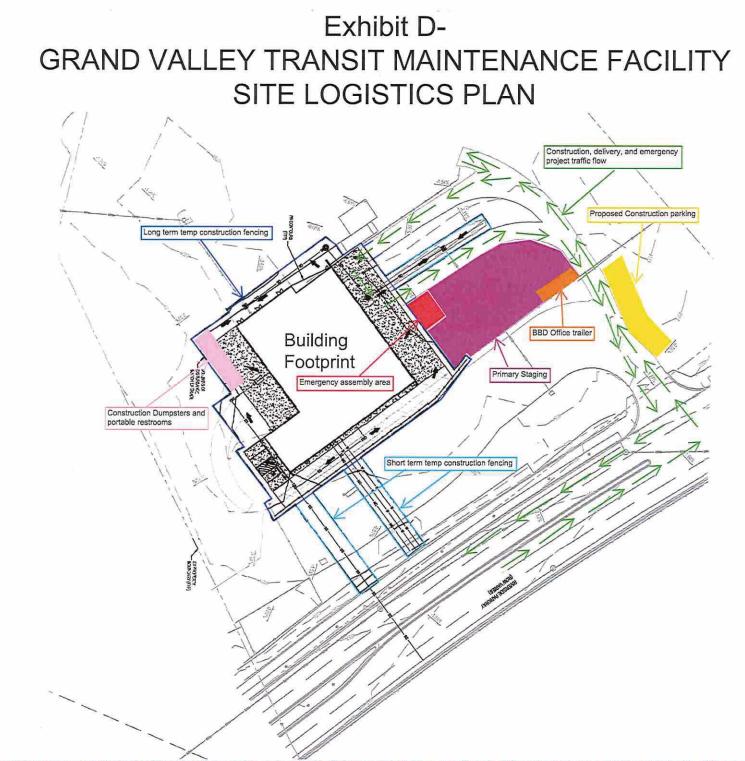
The maintenance facility will be located on 2553 Riverside Parkway, parcel number 2945-152-38-003, which is owned by the City of Grand Junction. The leased area is approximately 54,000 square feet.

Access will be from Riverside Parkway with access easements shown on Exhibit B.









THIS SITE LOGISTICS PLAN IS SUBJECT TO CHANGE DURING THE PRE-CONSTRUCTION PHASE AS A RESULT OF COLLABORATIVE PLANNING WITH THE OWNER AND DESIGN TEAM