



September 29, 2023

Barn, LLC
c/o Katie Brewer
PO Box 553
Silverton, CO 81433

**RE: Notice Extending Lease
649 25 Road, Grand Junction, CO 81505**

Pursuant to Paragraph 5, Lease Term Extension Option, of that Property Lease Agreement dated May 1, 2023 ("Lease Agreement") between the City of Grand Junction, a Colorado home rule municipality ("City") and Barn, LLC, a Colorado limited liability company ("Lessor"), the City seeks to exercise its right of first refusal to lease the property at 649 25 Road for one (1) additional six (6) month term, commencing at 12:01 a.m. Mountain Standard Time on November 1, 2023 and expiring at 11:59 p.m. Mountain Standard Time on April 30, 2024 (the "Extended Term").

The City, or the City's consultant, TRS Corp., will remit \$12,000.00 to Lessor on or before November 1, 2023 as total rent for the Extended Term.

As the payment contemplated herein is in advance for the term of the extension, if the City's purchase of the property interests required from Barn, LLC for the F.5 Road Parkway closes prior to the end of the extended lease term, the City will be credited with prorated rent between the date of closing and April 30, 2024.

Sincerely,

A handwritten signature in black ink, appearing to read "Trent Prall". The signature is stylized and written over a horizontal line.

Trent Prall
Director of Public Works
City of Grand Junction

cc: Brendan Hines, P.E., Project Manager, City of Grand Junction
Konrad Vallard, Real Estate Manager
Richard Pittenridge, TRS Corp.

RENTAL LEASE AGREEMENT

THIS LEASE AGREEMENT is entered as of the 1st day of May, 2023, by and between BARN, LLC, a Colorado limited liability company, hereinafter referred to as "Lessor", and THE CITY OF GRAND JUNCTION, a Colorado home rule municipality, hereinafter referred to as "the City".

Recitals.

- A. Lessor owns the following described property in the City of Grand Junction, County of Mesa, State of Colorado, to wit:

All of Lot 1 of Moran's Subdivision situate in the N ½ of the SE ¼ of Section 4, Township 1 South, Range 1 West of the Ute Meridian, City of Grand Junction, County of Mesa, State of Colorado, as recorded in the office of the Mesa County Clerk and Recorder on May 19, 2009 under Reception No. 2489536,

having a physical address of 649 25 Road, Grand Junction, CO 81505 and identified by Mesa County Assessor Parcel No. 2945-044-51-001, hereinafter referred to as "the Property". Improvements on the Property include an unoccupied single-family residence and barn.

- B. The City will be implementing a transportation improvement project known as the F ½ Road Parkway Project ("Project"). The Project will require the acquisition by the City of certain real property interests in and to the Property, which interests have not yet been fully identified.
- C. Lessor is offering the Property for rent on the open market. The City desires to lease the Property from Lessor in order to preclude the possibility of relocating a private tenant in conjunction with the Project.

NOW, THEREFORE, in consideration of the payment of rent and the performance of the covenants and agreements by both parties as set forth below, Lessor does hereby Lease to the City the Property to the City pursuant to the terms and conditions herein contained.

1. Term.

- a. The term of this Lease shall be for a period of six (6) consecutive months, commencing at 12:01 a.m. Grand Junction Time on May 1, 2023, and expiring at 12:01 a.m. Grand Junction Time on November 1, 2023.
- b. Should the City holdover and continue in possession of the Property following the expiration of this Lease or any extension thereof and continue to pay rent without a written agreement as to such possession, then such tenancy shall be regarded as a month-to-month tenancy at a monthly rental as set forth in paragraph 4 below, subject to all of the other terms and conditions of this Lease.

2. Use. The City's use of the Property shall be for the purpose of keeping the Property vacant from any other occupancy until the City acquires the real property interests required for the Project and for no other purposes.
3. Utilities. Utilities to the Property (i.e., natural gas, domestic water, sanitary sewer and electricity) shall remain in Lessor's name during the term of this Lease, and Lessor shall pay all utility bills when the same become due and payable. Because the City's use of the Property shall be for the purposes of keeping the Property vacant from occupancy, Lessor shall be permitted to drain all water pipes and shut off the water service to the Property.
4. Rent. The City agrees to pay to Lessor, either by check or wire transfer as determined by Lessor and at such address as Lessor may designate in writing, the total sum of \$12,000.00 as total rent for the six (6) month lease term. Should the City holdover and continue in possession of the Property upon expiration of this Lease or any extension thereof, the City agrees that it will pay Lessor the amount of \$2,000.00, in advance, for each month of said month-to-month tenancy.
5. Lease Term Extension Option. If the City performs a required pursuant to this Lease Agreement and as part of the consideration for the payment of all rent provided for herein, Lessor hereby gives and grants to the City a right of first refusal to lease the property for one (1) successive six (6) month term ("Extended Term"), upon the same terms and conditions as herein set forth. In order to exercise its right of first refusal the City shall give written notice to Lessor of its intent to exercise its right of first refusal no later than 5:00 p.m. Grand Junction Time on October 1st, 2023. Should the Lease be extended for one (1) additional six (6) month term, the City agrees to pay to Lessor, either by check or wire transfer as determined by Lessor and at such address as Lessor may designate in writing, the sum of \$12,000.00 as total rent for the extended term.
6. Insurance. The City is self-insured up to \$150,000.00 per claim with excess coverage pursuant to its membership in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA" pool). The City avails itself to the protections of the Colorado Governmental Immunity Act (C.R.S. 24-10-101, et. seq.). The law limits liability to up to \$150,000.00 per person and up to \$600,000.00 per occurrence, based on current statutory limits. So long as the City is insured through CIRSA or an equivalent organization, the City's self-insurance coverage shall be the City's full proportionate share of and contribution to the City's required insurance coverage, and the City shall have no obligation to purchase public liability insurance or other coverage for protection against liability for damage claims through public use of or arising out of accidents occurring in and around the Property. During the term of the Lease or any extension thereof, the City's insurance coverage shall designate Lessor as an additional insured under the terms of the City's insurance. The City shall provide proof of coverage to Lessor, but the City shall not be required to pay any proportionate share of the cost of any insurance procured by Lessor.
7. Representation of the City.
 - a. The City warrants that the City has the authority to enter into this Lease Agreement with Lessor.
 - b. The City will not assign, sublease or otherwise transfer or permit a transfer of the City's rights or obligations under any provision of this Lease Agreement, either in whole or in

part, without prior written approval from Lessor, which approval shall not be unreasonably withheld.

- c. The City shall comply with all applicable laws relative to the City's use of, activities upon and occupancy of the Property.
- d. The City shall peaceably surrender possession of the Property immediately upon the expiration of this Lease or any extension thereof in as good or better condition as existed when the City entered the Property, ordinary wear and use excepted.
- e. The City shall permit Lessor or Lessor's authorized representatives to enter the Property upon reasonable prior notice during normal business hours for the purposes of: (1) inspecting the condition of the Property or verifying the City's compliance with the provisions of this Lease Agreement; (2) performing any obligation, exercising any right or protecting any interest of Lessor under any provision of this Lease; and (3) for any other reasonable purpose.
- f. The City shall maintain the cleanliness and appearance of the Property in good order and appearance. The City shall not commit nor permit waste, damage or injury to the Property.
- g. The City shall not make any structural alterations to the Property or any part thereof without the prior written approval of Lessor, which approval shall not be unreasonably withheld.

8. Warranties and Representations of Lessor.

- a. Lessor warrants that Lessor has authority to enter into this Lease Agreement with the City.
- b. Upon the City paying the required rent and performing all other terms and conditions of this Lease Agreement to be performed by the City, the City may quietly and peacefully occupy, utilize and enjoy the Property during the term of this Lease or any extension thereof.
- c. Lessor represents that, to the best of Lessor's knowledge, no hazardous, toxic or regulated materials or substances are located on, under or about the Property. Lessor represents that Lessor has not deposited or caused to be deposited on, under or about the Property any hazardous, toxic or regulated materials or substances.
- d. With the prior written approval of Lessor, which approval shall not be reasonably withheld, the City shall be permitted but not obligated to perform reasonable measures to secure the Property to prevent trespass and vandalism. Such reasonable measures may include, but not be limited to, changing door locks, barring windows and doors, and installing fencing and gates ("Security Features"). Upon the expiration of this Lease, all Security Features installed by the City shall become part of the realty of the Property and shall become and remain the property of Lessor.

- e. Lessor shall insure the Property for additional liability, casualty or personal property damage claims as it determines necessary in its sole discretion.

9. Default and Remedies.

- a. Lessor, at Lessor's option, shall have the right to terminate this Lease upon the occurrence of any of the following:
 - i. Failure by the City to pay any of the rentals required by the provisions of this Lease Agreement within fifteen (15) days after notice that such payment is delinquent; or
 - ii. Failure by the City to perform any of the other terms, covenants or conditions of this Lease to be performed by the City if such failure shall not be remedied within thirty (30) days after written notice to the City of such condition; provided, however, that if such default cannot be cured by the payment of money and cannot with due diligence be wholly cured within such period of thirty (30) days, the City shall have such longer period as shall be necessary to cure the same if the City commences such cure within the thirty (30) day period, prosecutes the cure to completion with due diligence, and advises Lessor from time to time, upon Lessor's request, of the actions the City is taking and the progress being made.

10. Notices. All notices to be given with respect to this Lease Agreement shall be in writing. Each notice shall be sent by United States certified mail, return receipt requested, postage prepaid and properly addressed to the party to be notified at the address set forth below or at such other address as either party may from time to time designate in writing, as follows:

To Lessor:
Barn, LLC
19 Donelson Street
Fort Bragg, NC 28307

With Copy To:
Jacquelyn Moran
872 Covey Road
Grand Junction, CO 81505

Mike Moran
864 S. Haven Crest Court
Grand Junction, CO 81506

To City:
City Public Works Director
333 West Avenue, Building C
Grand Junction, CO 81501

With Copy To:
City Attorney
250 North 5th Street
Grand Junction, CO 81501

Every notice shall be deemed to have been given seventy-two (72) hours after the time it is deposited in the United States mail in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal process.

11. Ad Valorem Taxation. It is the express intent of the parties that the Property, during the term of this Lease or any extension thereof, be exempt from ad valorem taxation pursuant to C.R.S. 31-15-802.
12. Total Agreement; Applicable to Successors. This Lease Agreement contains the entire agreement between the parties and cannot be changed, modified or terminated except by a written instrument subsequently executed by the parties hereto. This Lease Agreement and the terms and conditions hereof apply to and are binding upon the successors and authorized assigns of both parties.
13. Applicable Law. This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Venue shall be in Mesa County, Colorado.

Executed as of the day and year first above written.

Barn, LLC
a Colorado Limited Liability Company, Lessor

By: Katie Elizabeth Brewer
Katie Elizabeth Brewer, Member

Barn, LLC
a Colorado limited liability company, Lessor

By: Karl William Brewer
Karl William Brewer

The City of Grand Junction
a Colorado home rule municipality, Lessee

By: 
Public Works Director