

WES08MAI

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	DEED (WARRANTY)
NAME OF PROPERTY OWNER OR GRANTOR OR GRANTEE:	KEVIN AND STEVEN REIMER, WESTERN HOSPITALITY, LLC.
PURPOSE:	DEVELOPMENT OF HOTEL/PARKING LOT
ADDRESS:	236 AND 238 MAIN STREET
PARCEL NO:	2945-143-14-022
CITY DEPARTMENT:	PUBLIC WORKS AND PLANNING
YEAR:	2008
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

2/2

921743

WARRANTY DEED

The City of Grand Junction, a Colorado home rule municipality, whose address is 250 North 5th Street, Grand Junction, Colorado 81501, Grantor, for and in consideration of the sum of Six Hundred Fifty-Six Thousand Two Hundred Fifty and 00/100 Dollars (\$656,250.00), the receipt and sufficiency of which is hereby acknowledged, has sold, granted and conveyed, and by these presents does hereby sell, grant and convey to **Western Hospitality, LLC, a Colorado limited liability company**, Grantee, its heirs, successors and assigns forever, the following described tract or parcel of land, to wit:

Lots 17 through 23, inclusive, Block 101, City of Grand Junction, County of Mesa, State of Colorado

commonly known as 236 Main Street, 238 Main Street and an unnumbered vacant parcel, all in Grand Junction, Colorado 81501

TO HAVE AND TO HOLD the premises aforesaid, with all and singular the rights, privileges, appurtenances and immunities thereunto belonging or in anywise appertaining, unto the said Grantee and unto his heirs, successors and assigns forever, the said Grantor hereby covenants that it will warrant and defend the title to said premises unto the said Grantee and unto his heirs, successors and assigns forever, against the lawful claims and demands of all persons claiming by, through or under Grantor.

Executed and delivered this 13th day of June, 2008.



The City of Grand Junction, a Colorado home rule municipality

Laurie Kadrach
Laurie Kadrach, City Manager

Attest:

Stephanie Tuin
Stephanie Tuin, City Clerk

State of Colorado)
) ss.
County of Mesa)

The foregoing instrument was acknowledged before me this 13th day of June, 2008, by Laurie Kadrach as City Manager and attested to by Stephanie Tuin as City Clerk of the City of Grand Junction, a Colorado home rule municipality.

My commission expires: 10-10-2009

Witness my hand and official seal.



Juanita Peterson
Notary Public

**CONTRACT TO BUY & SELL REAL ESTATE
(COMMERCIAL)**

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

Date: April 23, 2008

Purchase Price: \$656,250.00
and other good and valuable consideration

1. **AGREEMENT.** Buyer agrees to buy, and the undersigned Seller agrees to sell, the Property defined below on the terms and conditions set forth in this Contract.

2. **DEFINED TERMS.**

a. **Buyer.** Buyer will take title to the real property described below as Western Hospitality, LLC.

b. **Seller.** Seller is the City of Grand Junction, a Colorado home rule municipality.

c. **Property.** The Property is the commonly known and described as 238 Main Street, tax schedule # **2945-143-14-948**, and legally described as Lots 20 through 22, Block 101, Grand Junction, Colorado, together with all improvements and attached fixtures appurtenant thereto, interests, easements, rights, benefits, improvements, all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded.

d. **Dates and Deadlines.**

Item No.	Reference	Event	Date or Deadline
1	§ 5	Title Deadline	April 30, 2008
2	§ 6a	Title Objection Deadline	May 7, 2008
3	§ 6b	Off-Record Matters Deadline	April 30, 2008
4	§ 6b	Off-Record Matters Objection Deadline	May 12, 2008
5	§ 7a	Seller's Property Disclosure Deadline	April 23, 2008
6	§ 7b	Inspection Deadline	May 14, 2008
7	§ 7c	Inspection Objection Deadline	May 19, 2008
8	§ 7d	Resolution Deadline	May 23, 2008
9	§ 8	Closing Date	May 30, 2008
10	§ 20	City Council Approval Deadline	May 7, 2008
11	§ 13	Possession Date	May 30, 2008
12	§ 24	Acceptance Deadline Date	April 23, 2008

e. Attachments. The following exhibits, attachments and addenda are a part of this Contract:

- Attachment "A": General Warranty Deed**
- Attachment "B": Purchase Option Agreement**

f. Applicability of Terms. A check or similar mark in a box means that such provision is applicable. The abbreviation "N/A" means not applicable. The abbreviation "MEC" (mutual execution of this contract) means the latest date upon which both parties have signed this Contract.

3. INCLUSIONS AND EXCLUSIONS. The Purchase Price shall include all real property interests, easements, rights and benefits appurtenant to the Property.

4. PURCHASE PRICE AND TERMS. The Purchase Price set forth below shall be payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§	Purchase Price	\$656,250.00	
2	§	Earnest Money	\$	\$ 25,000.00
3	§	Cash at Closing		\$ 631,250.00
4		TOTAL	\$656,250.00	\$ 656,250.00

Note: If there is an inconsistency between the Purchase Price on the first page and this § 4, the amount in § 4 shall control.

5. EVIDENCE OF TITLE. On or before **Title Deadline** (§2d), Seller shall cause to be furnished to Buyer, at Seller's expense, a current commitment for owner's title insurance policy ("Title Commitment") in an amount equal to the Purchase Price, together with true and legible copies of all instruments referred to therein, including, but not limited to, true and legible copies of any plats, declarations, covenants, conditions and restrictions describing, affecting or burdening the Property and true and legible copies of any other documents listed in the schedule of exceptions ("Exceptions"). Seller shall have the obligation to furnish the documents pursuant to this subsection without any request or demand by Buyer. The Title Commitment together with copies of such documents furnished pursuant to this Section shall constitute the title documents ("Title Documents"). The Title Documents shall set forth all matters of record necessary to permit a determination whether title is merchantable or satisfactory to Buyer. At Seller's expense, Seller shall cause the title insurance policy to be issued and delivered to Buyer as soon as practicable at or after Closing. If a title insurance commitment is furnished, it shall commit to delete or insure over the standard exceptions which relate to:

- a. parties in possession,
- b. unrecorded easements,
- c. survey matters,
- d. any unrecorded mechanic's liens, and
- e. gap period (effective date of the Title Commitment to the date deed is recorded).

Any additional premium expense to obtain this additional coverage shall be paid by Buyer. Seller shall cause the title insurance policy to be delivered to Buyer as soon as practicable, at or after Closing.

6. TITLE.

a. Title Review. Buyer shall have the right to inspect the Title Documents. Written notice by Buyer of unmerchantability of title or any other unsatisfactory title condition shown by the Title Documents shall be signed by or on behalf of Buyer and given to Seller on or before the **Title Objection Deadline** (§2d), or within five (5) business days after receipt by Buyer of any change to the Title Documents or endorsement(s) to the Title Commitment together with a copy of the document(s) adding new Exception(s) to title, whichever is later. If Buyer does not mail its notice by the date(s) specified above, Buyer shall be deemed to have accepted as satisfactory the condition of title as disclosed by the Title Documents.

b. Matters not Shown by the Public Records. Seller shall deliver to the Buyer, on or before the **Off-Record Matters Deadline** (§2d Item No.3), true copies of all lease(s), agreement(s), contract(s), notice(s) and surveys in Seller's possession pertaining to or affecting the Property and shall disclose to Buyer all easements, liens or other title matters (including, without limitation, rights of first refusal and options) not shown by the public records of which Seller have actual knowledge. The documents and information referred to in the preceding sentence shall constitute "Off-Record Matters." Buyer shall have the right to inspect the Property to determine if any third party(s) has any right in the Property not shown by the public records (such as an unrecorded easements, unrecorded lease, or boundary line discrepancies). Written notice of any unsatisfactory condition(s) disclosed by Seller or revealed by such inspection(s) shall be signed by or on behalf of Buyer and mailed to Seller on or before the **Off-Record Matters Objection Deadline** (§2d Item No. 4). If Buyer does not mail Buyer's notice by said date, Buyer shall be deemed to have accepted the condition of title subject to such rights, if any, of third parties of which Buyer has actual notice.

c. Right to Object, Cure. If Seller receives notice of unmerchantability of title or any other unsatisfactory title condition(s) as provided in §6a and 6b above, Seller shall use reasonable efforts to correct said items and bear any nominal expense(s) to correct the same prior to Closing. If such unsatisfactory title condition is not corrected to Buyer's satisfaction on or before Closing, this Contract shall then terminate; provided, however, Buyer may, by written notice given to Seller on or before Closing, waive objection to such items.

7. PROPERTY DISCLOSURE AND INSPECTION.

a. Seller's Property Disclosure. On or before **Seller's Property Disclosure Deadline** (§2d Item No. 5), Seller agrees to provide Buyer with a written disclosure of any and all adverse matters regarding the Property of which Seller has current and actual knowledge.

b. Inspection. After Seller has accepted this Contract, Buyer shall have the right, at Buyer's expense, to conduct inspections of the physical condition of the Property ("Inspections"). The Inspections may include, but not be limited to, boundary surveys, engineering surveys, soil samples and surveys, and environmental surveys which including sampling and testing of building materials.

c. Inspection Objection Deadline. If the physical condition of the Property is unsatisfactory as determined by Buyer's sole and subjective discretion, Buyer shall, on or before Inspection Objection Deadline (§2d Item No. 7) either:

- (1) notify Seller in writing that this Contract is terminated, in which case all payments and things of value received hereunder shall be returned to Buyer, or
- (2) provide Seller with a written description of any unsatisfactory physical condition which Buyer requires Seller to correct, at no cost or expense to Buyer, before the Resolution Deadline ("Notice to Correct").

d. Resolution Deadline. If a Notice to Correct is received by Seller and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Resolution Deadline** (§2d Item No. 8), this Contract shall terminate and all payments and things of value received hereunder shall be returned to Buyer, unless before such termination Seller receives Buyer's written withdrawal of the Notice to Correct.

e. Representations and Warranties Regarding Environmental Matters.

- (1) Seller represents and warrants that:
 - (a) Seller has no current and actual knowledge of any Hazardous Material at, upon, under or within the Property or, to the best of Seller's knowledge, within any contiguous real estate, and
 - (b) Seller shall not cause or permit to be introduced any Hazardous Material at, upon, under or within the Property from now until Closing and until termination of Seller's occupancy pursuant to the Lease. See ¶125, below.
- (2) The term "Hazardous Material" for the purposes of this Contract means:
 - (a) any hazardous or toxic substance, material or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Material Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto and replacements therefor; or
 - (b) such substances, materials or wastes as are regulated by the Resource Conservation and Recovery Act of 1976 (RCRA) or the

Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) or any amendments thereto or orders, and regulations, directions, or requirements thereunder; or

- (c) "underground storage tanks," "petroleum," "petroleum by products," "regulated substance," "oil" or "used oil" as defined by Colorado law, including §25-7-101 et seq.; or
 - (d) "hazardous waste" as defined by the Colorado Waste Act, C.R.S. §25-15-101 et seq., or by any regulations promulgated thereunder; or
 - (e) Any substance the presence of whether on, in or under the Property is prohibited by any law similar to those set forth above; or
 - (f) Any other substance which by law, regulation or ordinance requires special handling in its collection, storage, treatment or disposal.
- (3) Notwithstanding the definition set forth above, for purposes of this Contract, the term "Hazardous Material" does not include asbestos or asbestos containing materials in the building or fixtures on the Property or lead paint, if any, on the Property as of the date of this Contract.
- (4) To the best of Seller's knowledge, as of the date of this Contract and as of the date of Closing, the Property (including land, surface water, ground water and improvements) is now and will then be free of all Hazardous Materials as defined herein.
- (5) Buyer represents and warrants that the completion of the Closing by Buyer shall evidence Buyer's acceptance of the physical condition, including the environmental condition, of the Property WHERE IS, AS IS, without warranty or representation from Seller except as expressly stated in this Section 7.

f. Damage; Liens; Indemnity. Buyer is responsible for payment for all inspections, surveys, engineering reports or any other work performed at Buyer's request. Buyer shall pay for, and/or restore to its prior condition, any damage which occurs to the Property as a result of such activities if Closing does not occur. Buyer shall not permit claims or liens of any kind against the Property for inspection, surveys, engineering reports and for any other work performed on the Property at Buyer's request if Closing does not occur. Buyer agrees to indemnify and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller in connection with the Inspections, including regarding frivolous or groundless claims made by third parties. If Buyer fails to indemnify and/or hold Seller harmless, as provided, Seller may recover reasonable costs and expenses incurred by Seller to enforce this subsection, including Seller's reasonable attorney fees. The provisions of this subsection shall survive the termination of this Contract or the Closing.

8. CLOSING. Delivery of deed from Seller to Buyer shall be at Closing ("Closing"). Closing shall be on the date specified as **Closing Date** (§2d Item No. 9) or at an earlier date upon request of the Buyer. The hour and place of Closing shall be as designated by mutual agreement between Seller and Buyer.

9. TRANSFER OF TITLE. Subject to terms and provisions hereof, Seller shall execute and deliver a good and sufficient General Warranty Deed, the form of which is attached as **Attachment "A"**, to Buyer, at Closing, conveying the Property free and clear of all taxes except the general taxes for the year of Closing. Except as provided herein, title shall be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon. Title shall be conveyed subject to:

a. those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Buyer in accordance with §6a (Title Review);

b. the Off-Record Matters and those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge and which were accepted by Buyer in accordance with §6b (Matters not Shown by the Public Records);

10. PAYMENT OF ENCUMBRANCES. Any encumbrance required to be paid shall be paid at or before Closing from the proceeds of this transaction or from any other source.

11. CLOSING COSTS; DOCUMENTS AND SERVICES. Buyer and Seller shall pay, in Good Funds, their respective Closing costs and all other items required to be paid at Closing, except as otherwise provided herein. Buyer and Seller shall sign and complete all customary or reasonably required documents at or before Closing. Fees for real estate closing services shall be paid at Closing by One-Half by Buyer and One-Half by Seller. Any sales, use or other tax that may accrue because of this transaction shall be paid when due by the party so responsible under applicable law.

12. PRORATIONS. The following shall be prorated to the **Closing Date** (§8), except as otherwise provided:

a. Personal Property Taxes. Personal property taxes, if any, shall be paid by Seller;

b. General Real Estate Taxes. General real estate taxes shall be prorated to the Closing Date based on the most recent mill levy and the most recent assessment;

c. Final Settlement. Unless otherwise agreed in writing, these prorations shall be final.

13. POSSESSION. Possession of the Property shall be delivered to Buyer on **Possession Date** (§2d Item No. 11), free and clear of any and all leases, tenancies and personal property. The property shall be clean to the Buyer's satisfaction.

If Seller, after Closing, fails to deliver possession as specified, Seller shall be subject to eviction and shall be additionally liable to Buyer for payment of \$150.00 per day from the **Possession Date** (§2d Item No. 11) until possession is delivered as required.

14. NOT ASSIGNABLE. This Contract shall not be assignable by Buyer without Seller's prior written consent. Except as so restricted, this Contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of both parties.

15. INSURANCE, CONDITION OF, DAMAGE TO PROPERTY. Except as otherwise provided in this Contract, the Property shall be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted; however, damage to the Improvements is not a ground for Buyer to terminate this agreement. In the event the Property shall be damaged by fire or other casualty prior to Closing, Seller shall not be obligated to repair any damage prior to Closing.

16. LEGAL AND TAX COUNSEL; AMBIGUITIES.

a. Buyer and Seller have each obtained the advice of its/their own legal and tax counsel regarding this Contract or have knowingly declined to do so.

b. The parties agree that the rule of construing ambiguities against the drafter shall have no application to this Contract.

17. TIME OF THE ESSENCE, DEFAULT AND REMEDIES. Time is of the essence hereof. If any payment due hereunder is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived as herein provided, there shall be the following remedy:

a. **If Buyer is in Default:** Seller may elect to treat this contract as cancelled, in which case all payments and things of value received hereunder shall be forfeited and retained on behalf of Seller, and Seller may recover such damages as may be proper, or Seller may elect to treat this contract as being in full force and effect, and Seller shall have the right to specific performance or damages or both.

b. **If Seller is in Default.** Buyer may elect to treat this contract as cancelled, in which case all payments and things of value received hereunder shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this contract as being in full force and effect and Buyer shall have the right to specific performances or damages, or both.

c. **Costs and Expenses.** In the event of any arbitration or litigation relating to this contract, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney and legal fees.

18. MEDIATION. If a dispute arises relating to this Contract, prior to or after Closing, and is not resolved, the parties shall first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved thirty (30) calendar days from the date written notice requesting mediation is sent by one party to the other at the party's last known address. This section shall not alter any date in this Contract, unless otherwise agreed in writing.

19. TERMINATION. In the event this Contract is terminated, all payments and things of value received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to §7f (Damage; Liens; Indemnity), §17b (If Seller is in Default), and §18 (Mediation).

20. ADDITIONAL PROVISIONS.

a. City Council Approval. The execution of this Contract by the City Manager of the City of Grand Junction, Colorado, and the City's obligation to proceed under its terms and conditions is expressly conditioned upon, and subject to, the formal approval of the Grand Junction City Council with regard to the terms, covenants, conditions, duties and obligations to be performed by the City in accordance with this Contract. In the event such approval is not obtained on or before the **City Council Approval Deadline** (§2d Item No. 9), this Contract shall automatically terminate and both parties shall thereafter be released from all obligations hereunder.

21. ENTIRE AGREEMENT; SUBSEQUENT MODIFICATION; SURVIVAL. This Contract constitutes the entire agreement between the parties relating to the subject hereof and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract shall be valid, binding upon the parties or enforceable unless made in writing and signed by the parties. Any obligation in this Contract that, by its terms, is intended to be performed after termination or Closing shall survive the same.

22. FACSIMILE. Signatures may be evidenced by facsimile. Documents with original signatures shall be provided to the other party at Closing or earlier upon request of any party.

23. NOTICE. Except for the notice requesting mediation described in §18, any notice to Buyer shall be effective when received by Buyer and any notice to Seller shall be effective when received by Seller.

24. ACCEPTANCE; COUNTERPART. This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below and the offering party receives notice of such acceptance pursuant to §23 on or before Acceptance

Deadline Date (§2d Item No. 12). If accepted, this document shall become a contract between Seller and the Buyer, subject to approval by the Grand Junction City Council. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.

Western Hospitality, LLC, a Colorado Limited Liability Company, Buyer:

By: [Signature] 4/23, 2008
Kevin Reimer, Managing Partner Date of Buyer's signature

Buyer's Address: 2009 S. Broadway, Grand Junction, Colorado 81503
Buyer's Telephone Number: (970)
Buyer's Fax No.: (970)

Western Hospitality, LLC, a Colorado Limited Liability Company, Buyer:

By: [Signature] 4-23, 2008
Steven Reimer, Managing Partner Date of Buyer's signature

Buyer's Address: 225 Main Street, Grand Junction, Colorado 81501
Buyer's Telephone Number: (970)
Buyer's Fax No.: (970)

Acceptance by the City of Grand Junction, a Colorado home rule municipality:

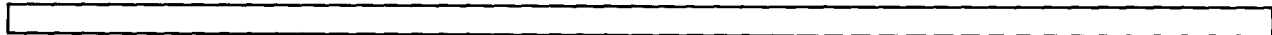
By: [Signature] 4/23, 2008
Rich Englehart, Acting City Manager Date of Seller's signature

Seller's Address: 250 N. 5th Street, Grand Junction, CO 81501
Seller's Telephone Number: (970) 244-1503
Seller's Fax No.: (970) 244-1456

25. **COUNTER; REJECTION.** This offer is Countered Rejected.

Initials only of party (Buyer or Seller) who countered or rejected offer: _____

END OF CONTRACT



OPTION AGREEMENT FOR THE SALE AND PURCHASE OF REAL PROPERTY

THIS OPTION AGREEMENT ("Agreement") is made and entered into this 22 day of October ~~X~~, 2007, by and between the City of Grand Junction, a Colorado home rule municipality, hereinafter referred to as "the City" or "Seller", and Western Hospitality, LLC, hereinafter referred to as "Western" or the "Buyer".

RECITALS:

The City is the owner of that certain real property situated in Mesa County, Colorado, as is more particularly described in Exhibit A and depicted in Exhibit B, which Exhibits are attached hereto and incorporated herein by reference. Said real property is hereinafter referred to in this Agreement as "the Property".

The City agrees to sell the Property to Buyer and the Buyer desires to obtain an option to purchase the Property on the terms set forth below.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Buyer hereby covenant and agree as follows:

1. *Grant of Option.* For and in consideration of the non-refundable sum of Twenty-Five Thousand Dollars (\$25,000.00), the receipt and sufficiency of which is hereby acknowledged, the City hereby grants and conveys to the Buyer the sole, exclusive and irrevocable option to purchase the Property ("the Option"), subject to the terms and conditions set forth below and in the form of contract of sale as a part of this Agreement and is designated as Exhibit C (the "Contract to Buy & Sell Real Estate" or "Contract").
2. *Term of the Option.* The term of the Option hereby granted shall commence on the day and year first above written and shall expire six (6) months from the date of signature.
3. *Purchase Price and Terms.* The purchase price for the Property shall be Six Hundred Fifty-Six Thousand Two Hundred Fifty Dollars (\$656,250.00), payable in cash or good funds, at closing.
4. *Exercise of Option.* The Buyer shall have a due diligence period of six (6) months in which to complete the following activities prior to Buyer's exercising the Option. If the Option is not exercised on or before that date, the Option shall automatically cease and terminate, neither party shall have any further rights hereunder, at law or in equity, and this Agreement shall be null and void, all without further action or documentation by either party.

- a. Buyer shall make its best efforts to acquire the parcels adjacent to the Property (known as Plaza Repographics, Consign Design, Zancanelli Group and Zellner's Furniture), for the purposes of constructing a hotel on the Property;
 - b. Buyer shall design plans for development of a hotel and parking area on the Property and any acquired adjoining parcel(s);
 - c. Buyer shall complete franchise negotiations for a hotel to be constructed on the Properties; and any required adjoining parcel(s); and
 - d. Buyer shall cooperatively develop a parking plan, acceptable to both parties, to address the needs of the new hotel on the Property and any acquired adjoining parcel(s). Some aspects of that parking plan may include, but are not limited to:
 - Provision of parking spaces by the City and/or the Downtown Development Authority ("DDA") to accommodate the needs of the new hotel. It is possible that parking may be provided in the Rood Avenue parking garage and/or at Two Rivers Convention Center;
 - Installation of additional gates, timing equipment, payment kiosks and other facilities reasonably required by the City and/or the DDA to reasonably manage the parking demand. Seller shall pay for the cost of the equipment and its installation as needed to reasonably manage the demand of its parking;
 - Establishment of a daily cost per space, based on the greater of 2% of the average room rental for every occupied hotel room, paid monthly, or a flat fee mutually agreed to by the parties;
 - Establishment of available times that parking spaces provided to Buyer by the City and the DDA, such as after 6:00 p.m. and vacated by 10:00 a.m. the next day. The parties shall agree in writing on lease/long term parking rates for the hotel. Buyer shall provide a parking survey of the Hampton Inn and Hawthorn Suites which study shall show the parking demand based on time of day/night;
 - Provision that Seller shall pay any and all taxes, including but not limited to possessory interest taxes; and
 - Allow for continued use by the City at no cost to it of the 3rd and Main lot for public parking until the beginning of construction.
5. *Manner of Exercise.* The Buyer's option to purchase shall be exercised by the timely delivery to the Seller at the Seller's address set forth below of two copies of the Contract to Buy & Sell Real Estate duly executed by the Buyer, together with a check payable to the order of the Seller for the amount of the earnest money deposit specified in the Contract. Promptly upon receiving the same the Seller shall execute both copies of the Contract to Buy & Sell Real Estate and return one fully executed copy to the Buyer.

The failure of the Seller to execute and return a fully executed copy of the Contract shall not affect its enforceability and the Contract shall be binding upon and enforceable against the Seller in the same manner as if it had been executed by the Seller and returned to the Buyer.

6. *Rights and Obligations of the Parties if the Option is Exercised.* In the event that Buyer exercises the option to purchase within the time and in the manner hereinbefore provided, then thereafter the rights and obligations of Buyer and Seller with respect to the Property shall be governed by the terms and conditions contained in the Contract.

7. *Addresses.*

The address of the Buyer is as follows:

225 Main Street
Grand Junction, CO 81501

The address of the Seller is as follows:

City of Grand Junction
250 North 5th Street, Grand Junction CO 81501

8. *Time of the Essence.* Time shall be of the essence of this Purchase Option Agreement.

IN WITNESS WHEREOF the parties have duly executed this Agreement and affixed their seals as of the date set forth above.



WESTERN HOSPITALITY, LLC, a Colorado limited liability company,

By: [Signature] Date 10/22/07

By: [Signature] Date 10/22/07

ATTEST:

CITY OF GRAND JUNCTION, a Colorado home rule municipality,

[Signature]
Stephanie Turner
City Clerk

By: [Signature] Date 10/22/07
Laurie M. Kadrach, City Manager

**EXHIBIT A
PROPERTY DESCRIPTION**

Lots 20, 21 and 22 of Block 101 of the City of Grand Junction, County of Mesa,
State of Colorado

Mesa County Tax Schedule No. 2945-143-14-948

EXHIBIT B



EXHIBIT C

**CONTRACT TO BUY & SELL REAL ESTATE
(COMMERCIAL)**

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

Date: _____, 2007

Purchase Price: **\$656,250.00**
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b. Seller. Seller is the City of Grand Junction, a Colorado home rule municipality.

c. Property. The Property is the commonly known and described as 238 Main Street, tax schedule # **2945-143-14-948**, and legally described as Lots 20 through 22, Block 101, Grand Junction, Colorado, together with all improvements and attached fixtures appurtenant thereto, interests, easements, rights, benefits, improvements, all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded.

d. Dates and Deadlines.

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12	§ 24	Acceptance Deadline Date	TBD, 2007

e. Attachments. The following exhibits, attachments and addenda are a part of this Contract:

Attachment "A": General Warranty Deed

Attachment "B": Purchase Option Agreement

f. Applicability of Terms. A check or similar mark in a box means that such provision is applicable. The abbreviation "N/A" means not applicable. The abbreviation "MEC" (mutual execution of this contract) means the latest date upon which both parties have signed this Contract.

3. INCLUSIONS AND EXCLUSIONS. The Purchase Price shall include all real property interests, easements, rights and benefits appurtenant to the Property.

4. PURCHASE PRICE AND TERMS. The Purchase Price set forth below shall be payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§	Purchase Price	\$656,250.00	
2	§	Earnest Money	\$	\$
3	§	Cash at Closing		\$
4		TOTAL	\$656,250.00	\$ 656,250.00

Note: If there is an inconsistency between the Purchase Price on the first page and this § 4, the amount in § 4 shall control.

5. EVIDENCE OF TITLE. On or before **Title Deadline** (§2d), Seller shall cause to be furnished to Buyer, at Seller's expense, a current commitment for owner's title insurance policy ("Title Commitment") in an amount equal to the Purchase Price, together with true and legible copies of all instruments referred to therein, including, but not limited to, true and legible copies of any plats, declarations, covenants, conditions and restrictions describing, affecting or burdening the Property and true and legible copies of any other documents listed in the schedule of exceptions ("Exceptions"). Seller shall have the obligation to furnish the documents pursuant to this subsection without any request or demand by Buyer. The Title Commitment together with copies of such documents furnished pursuant to this Section shall constitute the title documents ("Title Documents"). The Title Documents shall set forth all matters of record necessary to permit a determination whether title is merchantable or satisfactory to Buyer. At Seller's expense, Seller shall cause the title insurance policy to be issued and delivered to Buyer as soon as practicable at or after Closing. If a title insurance commitment is furnished, it shall commit to delete or insure over the standard exceptions which relate to:

a. parties in possession,

- b. unrecorded easements,
- c. survey matters,
- d. any unrecorded mechanic's liens, and
- e. gap period (effective date of the Title Commitment to the date deed is recorded).

Any additional premium expense to obtain this additional coverage shall be paid by Buyer. Seller shall cause the title insurance policy to be delivered to Buyer as soon as practicable, at or after Closing.

6. TITLE.

a. Title Review. Buyer shall have the right to inspect the Title Documents. Written notice by Buyer of unmerchantability of title or any other unsatisfactory title condition shown by the Title Documents shall be signed by or on behalf of Buyer and given to Seller on or before the **Title Objection Deadline** (§2d), or within five (5) business days after receipt by Buyer of any change to the Title Documents or endorsement(s) to the Title Commitment together with a copy of the document(s) adding new Exception(s) to title, whichever is later. If Buyer does not mail its notice by the date(s) specified above, Buyer shall be deemed to have accepted as satisfactory the condition of title as disclosed by the Title Documents.

b. Matters not Shown by the Public Records. Seller shall deliver to the Buyer, on or before the **Off-Record Matters Deadline** (§2d Item No.3), true copies of all lease(s), agreement(s), contract(s), notice(s) and surveys in Seller's possession pertaining to or affecting the Property and shall disclose to Buyer all easements, liens or other title matters (including, without limitation, rights of first refusal and options) not shown by the public records of which Seller have actual knowledge. The documents and information referred to in the preceding sentence shall constitute "Off-Record Matters." Buyer shall have the right to inspect the Property to determine if any third party(s) has any right in the Property not shown by the public records (such as an unrecorded easements, unrecorded lease, or boundary line discrepancies). Written notice of any unsatisfactory condition(s) disclosed by Seller or revealed by such inspection(s) shall be signed by or on behalf of Buyer and mailed to Seller on or before the **Off-Record Matters Objection Deadline** (§2d Item No. 4). If Buyer does not mail Buyer's notice by said date, Buyer shall be deemed to have accepted the condition of title subject to such rights, if any, of third parties of which Buyer has actual notice.

c. Right to Object, Cure. If Seller receives notice of unmerchantability of title or any other unsatisfactory title condition(s) as provided in §6a and 6b above, Seller shall use reasonable efforts to correct said items and bear any nominal expense(s) to correct the same prior to Closing. If such unsatisfactory title condition is not corrected to Buyer's satisfaction on or before Closing, this Contract shall then terminate; provided, however, Buyer may, by written notice given to Seller on or before Closing, waive objection to such items.

7. PROPERTY DISCLOSURE AND INSPECTION.

a. Seller's Property Disclosure. On or before **Seller's Property Disclosure Deadline** (§2d Item No. 5), Seller agrees to provide Buyer with a written disclosure of any and all adverse matters regarding the Property of which Seller has current and actual knowledge.

b. Inspection. After Seller has accepted this Contract, Buyer shall have the right, at Buyer's expense, to conduct inspections of the physical condition of the Property ("Inspections"). The Inspections may include, but not be limited to, boundary surveys, engineering surveys, soil samples and surveys, and environmental surveys which including sampling and testing of building materials.

c. Inspection Objection Deadline. If the physical condition of the Property is unsatisfactory as determined by Buyer's sole and subjective discretion, Buyer shall, on or before Inspection Objection Deadline (§2d Item No. 7) either:

- (1) notify Seller in writing that this Contract is terminated, in which case all payments and things of value received hereunder shall be returned to Buyer, or
- (2) provide Seller with a written description of any unsatisfactory physical condition which Buyer requires Seller to correct, at no cost or expense to Buyer, before the Resolution Deadline ("Notice to Correct").

d. Resolution Deadline. If a Notice to Correct is received by Seller and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Resolution Deadline** (§2d Item No. 8), this Contract shall terminate and all payments and things of value received hereunder shall be returned to Buyer, unless before such termination Seller receives Buyer's written withdrawal of the Notice to Correct.

e. Representations and Warranties Regarding Environmental Matters.

- (1) Seller represents and warrants that:
 - (a) Seller has no current and actual knowledge of any Hazardous Material at, upon, under or within the Property or, to the best of Seller's knowledge, within any contiguous real estate, and
 - (b) Seller shall not cause or permit to be introduced any Hazardous Material at, upon, under or within the Property from now until Closing and until termination of Seller's occupancy pursuant to the Lease. See ¶25, below.
- (2) The term "Hazardous Material" for the purposes of this Contract means:

- (a) any hazardous or toxic substance, material or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Material Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto and replacements therefor; or
 - (b) such substances, materials or wastes as are regulated by the Resource Conservation and Recovery Act of 1976 (RCRA) or the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) or any amendments thereto or orders, and regulations, directions, or requirements thereunder; or
 - (c) "underground storage tanks," "petroleum," "petroleum by products," "regulated substance," "oil" or "used oil" as defined by Colorado law, including §25-7-101 et seq.; or
 - (d) "hazardous waste" as defined by the Colorado Waste Act, C.R.S. §25-15-101 et seq., or by any regulations promulgated thereunder; or
 - (e) Any substance the presence of whether on, in or under the Property is prohibited by any law similar to those set forth above; or
 - (f) Any other substance which by law, regulation or ordinance requires special handling in its collection, storage, treatment or disposal.
- (3) Notwithstanding the definition set forth above, for purposes of this Contract, the term "Hazardous Material" does not include asbestos or asbestos containing materials in the building or fixtures on the Property or lead paint, if any, on the Property as of the date of this Contract.
- (4) To the best of Seller's knowledge, as of the date of this Contract and as of the date of Closing, the Property (including land, surface water, ground water and improvements) is now and will then be free of all Hazardous Materials as defined herein.
- (5) Buyer represents and warrants that the completion of the Closing by Buyer shall evidence Buyer's acceptance of the physical condition, including the environmental condition, of the Property WHERE IS, AS IS, without warranty or representation from Seller except as expressly stated in this Section 7.

f. Damage; Liens; Indemnity. Buyer is responsible for payment for all inspections, surveys, engineering reports or any other work performed at Buyer's request. Buyer shall pay for, and/or restore to its prior condition, any damage which occurs to the Property as a result of such activities if Closing does not occur. Buyer shall not permit claims or liens of any kind against the Property for inspection, surveys, engineering reports and for any other work performed on the Property at Buyer's request if Closing does not occur. Buyer agrees to indemnify and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller in connection with the Inspections, including regarding frivolous or groundless claims made by third parties. If Buyer fails to indemnify and/or hold Seller harmless, as provided, Seller may recover reasonable costs and expenses incurred by Seller to enforce this subsection, including Seller's reasonable attorney fees. The provisions of this subsection shall survive the termination of this Contract or the Closing.

8. CLOSING. Delivery of deed from Seller to Buyer shall be at Closing ("Closing"). Closing shall be on the date specified as **Closing Date** (§2d Item No. 9) or at an earlier date upon request of the Buyer. The hour and place of Closing shall be as designated by mutual agreement between Seller and Buyer.

9. TRANSFER OF TITLE. Subject to terms and provisions hereof, Seller shall execute and deliver a good and sufficient General Warranty Deed, the form of which is attached as **Attachment "A"**, to Buyer, at Closing, conveying the Property free and clear of all taxes except the general taxes for the year of Closing. Except as provided herein, title shall be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon. Title shall be conveyed subject to:

a. those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Buyer in accordance with §6a (Title Review);

b. the Off-Record Matters and those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge and which were accepted by Buyer in accordance with §6b (Matters not Shown by the Public Records);

10. PAYMENT OF ENCUMBRANCES. Any encumbrance required to be paid shall be paid at or before Closing from the proceeds of this transaction or from any other source.

11. CLOSING COSTS; DOCUMENTS AND SERVICES. Buyer and Seller shall pay, in Good Funds, their respective Closing costs and all other items required to be paid at Closing, except as otherwise provided herein. Buyer and Seller shall sign and complete all customary or reasonably required documents at or before Closing. Fees for real estate closing services shall be paid at Closing by One-Half by Buyer and One-Half by Seller. Any sales, use or other tax that may accrue

because of this transaction shall be paid when due by the party so responsible under applicable law.

12. PRORATIONS. The following shall be prorated to the **Closing Date** (§8), except as otherwise provided:

a. Personal Property Taxes. Personal property taxes, if any, shall be paid by Seller;

b. General Real Estate Taxes. General real estate taxes shall be prorated to the Closing Date based on the most recent mill levy and the most recent assessment;

c. Final Settlement. Unless otherwise agreed in writing, these prorations shall be final.

13. POSSESSION. Possession of the Property shall be delivered to Buyer on **Possession Date** (§2d Item No. 11), free and clear of any and all leases, tenancies and personal property. The property shall be clean to the Buyer's satisfaction.

If Seller, after Closing, fails to deliver possession as specified, Seller shall be subject to eviction and shall be additionally liable to Buyer for payment of \$150.00 per day from the **Possession Date** (§2d Item No. 11) until possession is delivered as required.

14. NOT ASSIGNABLE. This Contract shall not be assignable by Buyer without Seller's prior written consent. Except as so restricted, this Contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of both parties.

15. INSURANCE, CONDITION OF, DAMAGE TO PROPERTY. Except as otherwise provided in this Contract, the Property shall be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted; however, damage to the Improvements is not a ground for Buyer to terminate this agreement. In the event the Property shall be damaged by fire or other casualty prior to Closing, Seller shall not be obligated to repair any damage prior to Closing.

16. LEGAL AND TAX COUNSEL; AMBIGUITIES.

a. Buyer and Seller have each obtained the advice of its/their own legal and tax counsel regarding this Contract or have knowingly declined to do so.

b. The parties agree that the rule of construing ambiguities against the drafter shall have no application to this Contract.

17. TIME OF THE ESSENCE, DEFAULT AND REMEDIES. Time is of the essence hereof. If any payment due hereunder is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived as herein provided, there shall be the following remedy:

a. If Buyer is in Default: Seller may elect to treat this contract as cancelled, in which case all payments and things of value received hereunder shall be forfeited and retained on behalf of Seller, and Seller may recover such damages as may be proper, or Seller may elect to treat this contract as being in full force and effect, and Seller shall have the right to specific performance or damages or both.

b. If Seller is in Default. Buyer may elect to treat this contract as cancelled, in which case all payments and things of value received hereunder shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this contract as being in full force and effect and Buyer shall have the right to specific performances or damages, or both.

c. Costs and Expenses. In the event of any arbitration or litigation relating to this contract, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney and legal fees.

18. MEDIATION. If a dispute arises relating to this Contract, prior to or after Closing, and is not resolved, the parties shall first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved thirty (30) calendar days from the date written notice requesting mediation is sent by one party to the other at the party's last known address. This section shall not alter any date in this Contract, unless otherwise agreed in writing.

19. TERMINATION. In the event this Contract is terminated, all payments and things of value received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to §7f (Damage; Liens; Indemnity), §17b (If Seller is in Default), and §18 (Mediation).

20. ADDITIONAL PROVISIONS.

a. City Council Approval. The execution of this Contract by the City Manager of the City of Grand Junction, Colorado, and the City's obligation to proceed under its terms and conditions is expressly conditioned upon and subject to the formal approval of the Grand Junction City Council with regard to the terms, covenants, conditions, duties and obligations to be performed by the City in accordance with this Contract. In the event such approval is not obtained on or

before December 19, 2007, this Agreement shall automatically terminate and both parties shall thereafter be released from all obligations hereunder.

21. ENTIRE AGREEMENT; SUBSEQUENT MODIFICATION; SURVIVAL.

This Contract constitutes the entire agreement between the parties relating to the subject hereof and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract shall be valid, binding upon the parties or enforceable unless made in writing and signed by the parties. Any obligation in this Contract that, by its terms, is intended to be performed after termination or Closing shall survive the same.

22. FACSIMILE. Signatures may be evidenced by facsimile. Documents with original signatures shall be provided to the other party at Closing or earlier upon request of any party.

23. NOTICE. Except for the notice requesting mediation described in §18, any notice to Buyer shall be effective when received by Buyer and any notice to Seller shall be effective when received by Seller.

24. ACCEPTANCE; COUNTERPART. This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below and the offering party receives notice of such acceptance pursuant to §23 on or before Acceptance Deadline Date (§2d Item No. 12). If accepted, this document shall become a contract between Seller and the Buyer, subject to approval by the Grand Junction City Council. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.

Western Hospitality, LLC, a Colorado Limited Liability Company, Buyer:

By: _____, 2007
Kevin Reimer, Managing Partner Date of Buyer's signature

Buyer's Address: 2009 S. Broadway, Grand Junction, Colorado 81503
Buyer's Telephone Number: (970)
Buyer's Fax No.: (970)

Western Hospitality, LLC, a Colorado Limited Liability Company, Buyer:

By: _____, 2007
Steven Reimer, Managing Partner Date of Buyer's signature

Buyer's Address: 225 Main Street, Grand Junction, Colorado 81501
Buyer's Telephone Number: (970)
Buyer's Fax No.: (970)

Acceptance by the City of Grand Junction, a Colorado home rule municipality:

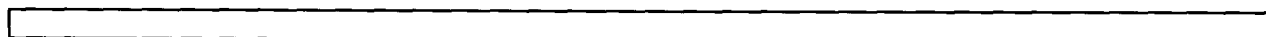
By: _____, 2007
Laurie M. Kadrich, City Manager Date of Seller's signature

Seller's Address: 250 N. 5th Street, Grand Junction, CO 81501
Seller's Telephone Number: (970) 244-1508
Seller's Fax No.: (970) 244-1456

25. **COUNTER; REJECTION.** This offer is **Countered** **Rejected.**

Initials only of party (Buyer or Seller) who countered or rejected offer: _____

END OF CONTRACT





CITY ATTORNEY

November 1, 2007

Mr. Steve Reimer
c/o Western Hospitality LLC
225 Main Street
Grand Junction, Colorado 81501

Re: Option Contract Payment

Dear Steve:

This letter will acknowledge receipt of your check number 2468 in the amount of \$25,000.00 in accordance with the option agreement for the property located at 3rd and Main Streets in Grand Junction.

Please know that the option payment will be credited against the purchase price should you determine to purchase the property in accordance with the terms of the agreement.

Thank you for forwarding the check so promptly. I look forward to continuing to work with you on this project. If you have any questions or if I may otherwise be of assistance, please let me know.

OFFICE OF THE CITY ATTORNEY

By: 

John P. Shaver
City Attorney
250 N. 5th Street
Grand Junction, CO 81501
(970) 244-1501

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.
(AE41-8-07) (Mandatory 1-08)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

AGREEMENT TO AMEND/EXTEND CONTRACT

Date: May 29, 2008

This agreement amends the Contract to Buy and Sell Real Estate dated April 23, 2008 (Contract), between **the City of Grand Junction**, a Colorado home rule municipality (Seller), and **Western Hospitality, LLC**, a Colorado limited liability company, relating to the sale and purchase of the following legally described real estate in the County of Mesa, Colorado:

Lots 20 through 22, Block 101, Grand Junction, Colorado

also known as **238 Main Street, Grand Junction, Colorado 81501** (Property).

[NOTE: If any item is left blank or the term "No Change" is inserted, means no change. The abbreviation "N/A" or the word "Deleted" means not applicable and when inserted on any line in Dates and Deadlines (§ 2.3) means that the corresponding provision of the Contract to which reference is made is deleted.]

2.d. Dates and Deadlines.

Item No.	Reference	Event	Date or Deadline
1	§5	Title Deadline	April 30, 2008
2	§6a.	Title Objection Deadline	May 7, 2008
3	§6b.	Off-Record Matters Deadline	April 30, 2008
4	§6b.	Off-Record Matters Objection Deadline	May 12, 2008
5	§7	Seller's Property Disclosure Deadline	April 23, 2008
6	§7b.	Inspection Objection Deadline	May 14, 2008
7	§7c.	Resolution Deadline	May 19, 2008
8	§21b.	City Council Ratification Deadline	May 7, 2008
9	§8	Closing Date	June 16, 2008
10	§13	Possession Date	June 16, 2008
11	§13	Possession Time	5:00 p.m. M.S.T.
12	§25	Acceptance Deadline Date	April 23, 2008

3. Other dates or deadlines set forth in the Contract shall be changed as follows: N/A

4. Additional amendments: N/A

All other terms and conditions of the Contract shall remain the same.

This amendment shall expire unless accepted in writing by Seller and Buyer as evidenced by their signatures below and the offering party to this document receives notice of such acceptance on or before the close of business on **May 30, 2008**.

Date: MAY 29, 2008

Date: May 29, 2008

Western Hospitality, LLC
a Colorado limited liability company, Buyer

City of Grand Junction, a Colorado home rule municipality, Seller

By: [Signature]
Kevin Reimer, Managing Partner

By: [Signature]
Laurie Kadrich, City Manager

By: [Signature] *
Steven Reimer, Managing Partner

* KEVIN REIMER SIGNING FOR STEVEN REIMER

1. The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.
2 (AE41-8-07) (Mandatory 1-08)
3

4 **THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX**
5 **OR OTHER COUNSEL BEFORE SIGNING.**

6 **AGREEMENT TO AMEND/EXTEND CONTRACT**

7
8
9 Date: 6-10-08

10
11 This agreement amends the Contract to Buy and Sell Real Estate dated April 23, 2008 (Contract), between **the City of**
12 **Grand Junction**, a Colorado home rule municipality (Seller), and **Western Hospitality, LLC**, a Colorado limited
13 liability company, relating to the sale and purchase of the following legally described real estate in the County of Mesa,
14 Colorado:

15
16 Lots 17 through 23, inclusive, Block 101, City of Grand Junction, County of Mesa, State of Colorado
17 commonly known as 236 Main Street, 238 Main Street and an unnumbered vacant parcel, all in Grand Junction,
18 Colorado 81501 ("Property").
19

20 [NOTE: If any item is left blank or the term "No Change" is inserted, means no change. The abbreviation "N/A" or the word
21 "Deleted" means not applicable and when inserted on any line in Dates and Deadlines (§ 2.3) means that the corresponding
22 provision of the Contract to which reference is made is deleted.]
23

24 All other terms and conditions of the Contract shall remain the same.

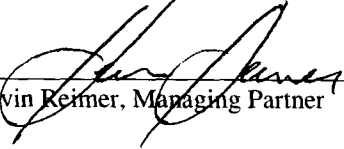
25
26
27 This amendment shall expire unless accepted in writing by Seller and Buyer as evidenced by their signatures below and
28 the offering party to this document receives notice of such acceptance on or before the close of business on **June 12, 2008.**

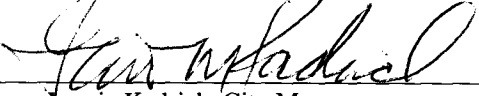
Date: 6-10, 2008

Date: 6-10, 2008

Western Hospitality, LLC
a Colorado limited liability company, Buyer

City of Grand Junction, a Colorado home rule
municipality, Seller

By: 
Kevin Reimer, Managing Partner

By: 
Laurie Kadrach, City Manager

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement" or "Lease") is made and entered into as of the 1st day of June, 2008, by and between WESTERN HOSPITALITY, LLC, a Colorado limited liability company, hereinafter referred to as "the Lessor" or "Western", and the CITY OF GRAND JUNCTION, a Colorado home rule municipality, hereinafter referred to as "the City" or "the Lessee"; collectively referred to as the Parties.

In consideration of the mutual covenants contained herein, the Parties agree as follows:

Section One - Description of Premises

Lessor leases to the City and the City leases from Lessor, under the terms and conditions of this Lease, the following described real property in the City of Grand Junction, County of Mesa, State of Colorado, to wit:

Lots 20 through 22 of Block 101, City of Grand Junction,
also known as 238 Main Street, hereinafter referred to as "the Property".

Section Two - Term

The term of this Lease shall be for one year (First Term), commencing on May 30, 2008, and expiring May 30, 2009, unless sooner terminated. If the City performs as required pursuant to this Lease and as part of the consideration for this Agreement, Lessor hereby gives and grants to the City an option to extend this Lease for successive one year periods (Extended Terms), each commencing upon the expiration of the prior term, upon the same terms and conditions as herein set forth. In order to exercise an option for an Extended Term, the City shall give written notice to Lessor of its intention to exercise the option not less than thirty (30) days prior to the expiration of the First Term and any Extended Term of this Lease. This Lease may be terminated on sixty (60) days prior written notice from one party to the other. Earlier notice may be given as provided in Section Ten. Early termination shall not give rise to any claim for lost profit or advantage.

Section Three - Consideration

The Lessor agrees to lease the Property to the City, during the First Term and any Extended Term or Terms, for the sole and exclusive consideration of the value of the Mesa County ad valorem property taxes for the First Term 2008 (payable in 2009) estimated to be Nine Hundred Forty-Two and 45/100 Dollars (\$942.45) and for one-half (1/2) of the parking revenue, less the cost of maintenance and enforcement.

Section Four - Use of the Property

4.1. The City agrees to use the Property to exclusively operate and maintain thereon a parking lot. The parking lot shall be for public use. The Lessor may not lease, rent or otherwise charge for, or receive compensation, for use of the property, except as provided in this Agreement.

4.2. The City may enforce applicable parking laws, rules and regulations Monday through Friday, exclusive of legal holidays recognized by the City. The City shall use its own forces and the cost of enforcement shall be exclusively borne by the City. The City shall receive and keep any and all revenue derived from enforcement. The Lessor is authorized to enforce only those laws, rules or regulations that are incident to ownership.

4.3. Neither the Lessor nor the City shall use or permit the Property to be used in any fashion or in any manner contrary to the laws, ordinances or regulations of any governmental unit or agency exercising jurisdiction over the property, if other than the City. The City may install and maintain appropriate signs on the Property associated with the parking that it conducts thereon.

Section Five - Improvements, Repairs and Maintenance

5.1 The City shall maintain during the First Term and any Extended Term or Terms all aspects of the Property, including but not limited to the appearance and integrity of the Improvements. As a part of its maintenance of the Property, the City shall keep the Property clean and in a safe condition in accordance with all applicable laws, ordinances and regulations of the City.

5.2 If the City refuses or neglects to perform maintenance work required under the terms hereof within forty-five (45) days after written demand or the City fails to complete such repairs or perform maintenance within a reasonable time thereafter, Lessor may, without any obligation or requirement to do so, enter on the Property and make such repairs or perform maintenance without liability to the City's operations by reason thereof and if the Lessor makes such repairs or performs such maintenance, the City shall pay to Lessor, on demand, the cost thereof with interest at the rate of fifteen percent (15%) per annum from the date of payment by the Lessor for such repairs until paid by the City.

Section Six - Lessor Liability

6.1. The Lessor shall not be liable for liability or damage claims for injury to persons or property from any cause relating to the occupancy of the Property by the City, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the Property during the term of this Lease or any extension thereof, nor for any injury or damage to any property of the City from any cause.

6.2. The City shall indemnify, to the extent authorized by law, the Lessor from premises liability, loss or damage claims or obligations resulting from any injuries or losses of any nature described in paragraph 6.1.

Section Seven - Insurance

7.1 The City is self-insured up to \$150,000 per claim and is a member in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) pool. In addition to these protections the City will avail itself of 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 per person and up to \$600,000 per occurrence, based on current statutory limits. So long as the City is insured through CIRSA or an equivalent organization, the City shall have no obligation to purchase public liability insurance and other coverage for protection against liability for damage claims through public use of, or arising out of accidents occurring in and around the Property.

7.2 The Lessor has investigated these assertions and is comfortable that the City's insurance coverage as set forth above provides coverage for the contingent liability of Lessor on any claims or losses. To that end the City shall designate the Lessor as an additional insured under the terms of the City's insurance for the purpose of this Lease.

Section Eight - Pledges and Assignments

The Lessor shall not assign the terms, benefits or obligations of this Lease without the prior written consent of the City, which consent shall not be unreasonably withheld.

Section Nine - Improvements

Unless otherwise agreed to by the Parties, all signs, meters, etc. placed on or attached to the Property by the City shall belong to the City and shall be the sole and separate property of the City. Such shall be known as and referred to as "Improvements."

Section Ten - Destruction of the Property

In the event the Improvements on the Property become destroyed or substantially injured by any means, the City shall either promptly rebuild and restore the Improvements or such portion as may have been injured or destroyed, or clear the damaged or destroyed Improvements from the Property. If the Improvements on the Property become damaged to the extent where they are no longer functional for the purposes of the City, the Lessor shall have no obligation to repair the Improvements, nor otherwise make the Property useable or occupiable; damages shall be at the City's own risk. If such occurs then the City shall be relieved of paying consideration as stated in Section Three of this Agreement. If the Lessor or the City determine not to perform repairs or to otherwise make the premises useable or occupiable, the City may

terminate this Lease by giving its immediate notice to the Lessor that this Lease is terminated.

Section Eleven - Total Agreement; Applicable to Successors

11.1. This Lease contains the entire agreement between the Parties and cannot be changed or terminated except by a written instrument subsequently executed by the Parties hereto. This Lease and the terms and conditions hereof apply to and are binding upon the heirs, successors and authorized assigns of both Parties.


11.2 In order that the terms of this Agreement are fully known and applicable to any successor to the Lessor, this Lease may be recorded in the Mesa County land records.


Section Twelve - Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the City of Grand Junction, State of Colorado.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease Agreement as of the date first above written.

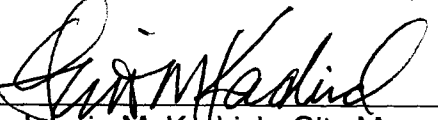
LESSOR: Western Hospitality, LLC, a Colorado limited liability company,

By:  5/29/08
Kevin Reimer, Manager Partner Date

By:  * 5/29/08
Steven Reimer, Manager Partner Date

KEVIN REIMER SIGNING FOR STEVEN REIMER

LESSEE: The City of Grand Junction, a Colorado home rule municipality,

By:  6-22-09
Laurie M. Kadrich, City Manager Date

AMENDMENT TO LEASE AGREEMENT

The Lease Agreement ("Agreement") dated June 1, 2008, between Western Hospitality, LLC, ("Lessor") and the City of Grand Junction ("Lessee"), a copy of which is attached and incorporated by reference as if fully set forth herein, is hereby amended as follows:

A. The First Term of the Agreement expired May 30, 2009. Both parties wish to extend the First Term for an additional six (6) month period (Extended Term), to commence June 1, 2009 and expire December 31, 2009.

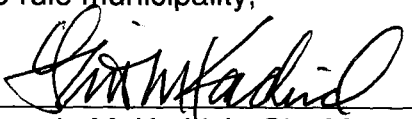
B. The consideration stated in Section Three of the Agreement for the Extended Term (six months of 2009) shall be Nine Hundred Eighty-Nine Dollars and Fifty-Seven Cents (\$989.57), a calculated percentage of the estimated 2009 Mesa County ad valorem property taxes. Following the final mill levies being set for 2009, the amount of consideration may be adjusted by mutual agreement of the parties. Additional consideration shall be one-half (1/2) of the parking revenue, less the cost of maintenance and enforcement.

C. All other terms and provisions of the Agreement are unchanged and remain obligations of the Lessee, specifically including but not limited to Section 5.

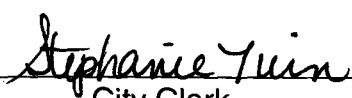
D. The parties stipulate and agree that there is good and sufficient consideration, the receipt of which is acknowledged, to support the making and enforcement of this Amendment to the Lease Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment this 15th day of ~~June~~ July, 2009, *nunc pro tunc* June 1, 2009.

THE CITY OF GRAND JUNCTION, a home rule municipality,

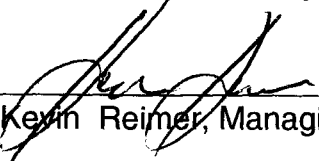
By: 
Laurie M. Kadrich, City Manager


ATTEST:


Stephanie Tuin
City Clerk



WESTERN HOSPITALITY, LLC, a Colorado limited liability company,

By: 
Kevin Reimer, Managing Partner


Steven Reimer, Managing Partner

Attachment

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement" or "Lease") is made and entered into as of the 1st day of June, 2008, by and between WESTERN HOSPITALITY, LLC, a Colorado limited liability company, hereinafter referred to as "the Lessor" or "Western", and the CITY OF GRAND JUNCTION, a Colorado home rule municipality, hereinafter referred to as "the City" or "the Lessee"; collectively referred to as the Parties.

In consideration of the mutual covenants contained herein, the Parties agree as follows:

Section One - Description of Premises

Lessor leases to the City and the City leases from Lessor, under the terms and conditions of this Lease, the following described real property in the City of Grand Junction, County of Mesa, State of Colorado, to wit:

Lots 20 through 22 of Block 101, City of Grand Junction,
also known as 238 Main Street, hereinafter referred to as "the Property".

Section Two - Term

The term of this Lease shall be for one year (First Term), commencing on May 30, 2008, and expiring May 30, 2009, unless sooner terminated. If the City performs as required pursuant to this Lease and as part of the consideration for this Agreement, Lessor hereby gives and grants to the City an option to extend this Lease for successive one year periods (Extended Terms), each commencing upon the expiration of the prior term, upon the same terms and conditions as herein set forth. In order to exercise an option for an Extended Term, the City shall give written notice to Lessor of its intention to exercise the option not less than thirty (30) days prior to the expiration of the First Term and any Extended Term of this Lease. This Lease may be terminated on sixty (60) days prior written notice from one party to the other. Earlier notice may be given as provided in Section Ten. Early termination shall not give rise to any claim for lost profit or advantage.

Section Three - Consideration

The Lessor agrees to lease the Property to the City, during the First Term and any Extended Term or Terms, for the sole and exclusive consideration of the value of the Mesa County ad valorem property taxes for the First Term 2008 (payable in 2009) estimated to be Nine Hundred Forty-Two and 45/100 Dollars (\$942.45) and for one-half (1/2) of the parking revenue, less the cost of maintenance and enforcement.

Section Four - Use of the Property

4.1. The City agrees to use the Property to exclusively operate and maintain thereon a parking lot. The parking lot shall be for public use. The Lessor may not lease, rent or otherwise charge for, or receive compensation, for use of the property, except as provided in this Agreement.

4.2. The City may enforce applicable parking laws, rules and regulations Monday through Friday, exclusive of legal holidays recognized by the City. The City shall use its own forces and the cost of enforcement shall be exclusively borne by the City. The City shall receive and keep any and all revenue derived from enforcement. The Lessor is authorized to enforce only those laws, rules or regulations that are incident to ownership.

4.3. Neither the Lessor nor the City shall use or permit the Property to be used in any fashion or in any manner contrary to the laws, ordinances or regulations of any governmental unit or agency exercising jurisdiction over the property, if other than the City. The City may install and maintain appropriate signs on the Property associated with the parking that it conducts thereon.

Section Five - Improvements, Repairs and Maintenance

5.1 The City shall maintain during the First Term and any Extended Term or Terms all aspects of the Property, including but not limited to the appearance and integrity of the Improvements. As a part of its maintenance of the Property, the City shall keep the Property clean and in a safe condition in accordance with all applicable laws, ordinances and regulations of the City.

5.2 If the City refuses or neglects to perform maintenance work required under the terms hereof within forty-five (45) days after written demand or the City fails to complete such repairs or perform maintenance within a reasonable time thereafter, Lessor may, without any obligation or requirement to do so, enter on the Property and make such repairs or perform maintenance without liability to the City's operations by reason thereof and if the Lessor makes such repairs or performs such maintenance, the City shall pay to Lessor, on demand, the cost thereof with interest at the rate of fifteen percent (15%) per annum from the date of payment by the Lessor for such repairs until paid by the City.

Section Six - Lessor Liability

6.1. The Lessor shall not be liable for liability or damage claims for injury to persons or property from any cause relating to the occupancy of the Property by the City, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the Property during the term of this Lease or any extension thereof, nor for any injury or damage to any property of the City from any cause.

6.2. The City shall indemnify, to the extent authorized by law, the Lessor from premises liability, loss or damage claims or obligations resulting from any injuries or losses of any nature described in paragraph 6.1.

Section Seven - Insurance

7.1 The City is self-insured up to \$150,000 per claim and is a member in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) pool. In addition to these protections the City will avail itself of 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 per person and up to \$600,000 per occurrence, based on current statutory limits. So long as the City is insured through CIRSA or an equivalent organization, the City shall have no obligation to purchase public liability insurance and other coverage for protection against liability for damage claims through public use of, or arising out of accidents occurring in and around the Property.

7.2 The Lessor has investigated these assertions and is comfortable that the City's insurance coverage as set forth above provides coverage for the contingent liability of Lessor on any claims or losses. To that end the City shall designate the Lessor as an additional insured under the terms of the City's insurance for the purpose of this Lease.

Section Eight - Pledges and Assignments

The Lessor shall not assign the terms, benefits or obligations of this Lease without the prior written consent of the City, which consent shall not be unreasonably withheld.

Section Nine - Improvements

Unless otherwise agreed to by the Parties, all signs, meters, etc. placed on or attached to the Property by the City shall belong to the City and shall be the sole and separate property of the City. Such shall be known as and referred to as "Improvements."

Section Ten - Destruction of the Property

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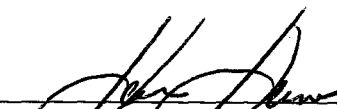
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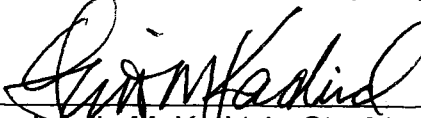
LESSOR: Western Hospitality, LLC, a Colorado limited liability company,

By:  5/29/08
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KEVIN REIMER SIGNING FOR STEVE REIMER

LESSEE: The City of Grand Junction, a Colorado home rule municipality,

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Laurie M. Kadrich, City Manager Date