

HDE92VCB

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: CONTRACT

NAME OF AGENCY OR CONTRACTOR: HORIZON DRIVE ENTERPRISES

STREET ADDRESS/PARCEL NAME/SUBDIVISION/PROJECT: PARCEL NO.
2701-364-00-030 UNRECORDED LEASE DATED DECEMBER 17, 1992 THE
LEASING OF 736 HORIZON DRIVE (TACO BELL) TO THE VISITOR AND
CONVENTION BUREAU INGRESS\EGRESS LEASE FOR VCB

CITY DEPARTMENT: VISITOR AND CONVENTION BUREAU

YEAR: 1993

EXPIRATION DATE: NONE MONTH TO MONTH WITH OPTION TO PURCHASE
AFTER 12/31/1997

DESTRUCTION DATE: NONE

Recording requested by City of Grand Junction
After recording, mail to:
Dan E. Wilson, City Attorney
City of Grand Junction
250 North Fifth Street
Grand Junction, CO 81501

BOOK 1952 PAGE 601

1627727 11:34 AM 01/26/93
MONIKA TODD CLK&REC MESA COUNTY CO

MEMORANDUM OF LEASE

This is the memorandum of that certain unrecorded lease dated December 17, 1992, between Horizon Drive Enterprises, Inc., a Colorado Corporation, lessor, and The City of Grand Junction, a Colorado home rule municipality, lessee, concerning the premises described in Exhibit A, attached hereto and made a part of this instrument by this reference, part of the County Assessor's tax parcel no. 2701-364-00-030. The premises are a part of the property on which is presently located a TACO BELL restaurant with a street address of 736 Horizon Drive.

Lessor has leased the premises, together with specified easements and other rights to lessee for the term and under the provisions contained in the above-mentioned unrecorded lease.

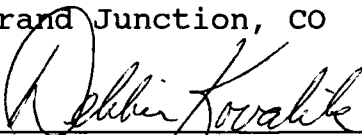
Lessee is also entitled to the use of the areas and facilities as set forth in the unrecorded lease.

The term of the lease commences January 1, 1993 and ends December 31, 1997 unless extended as provided therein. Lessee has an option to purchase the premises under certain conditions as set forth in the unrecorded lease.

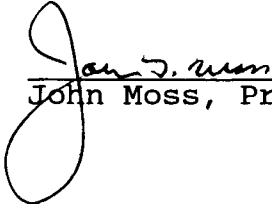
This memorandum is not a complete summary of the lease. Provisions in the memorandum shall not be used in interpreting the lease provisions. In the event of conflict between this memorandum and the unrecorded lease, the unrecorded lease shall control. A copy of the lease may be obtained from the City Clerk of the City of Grand Junction or the Director of the Grand Junction Visitor and Convention Bureau.

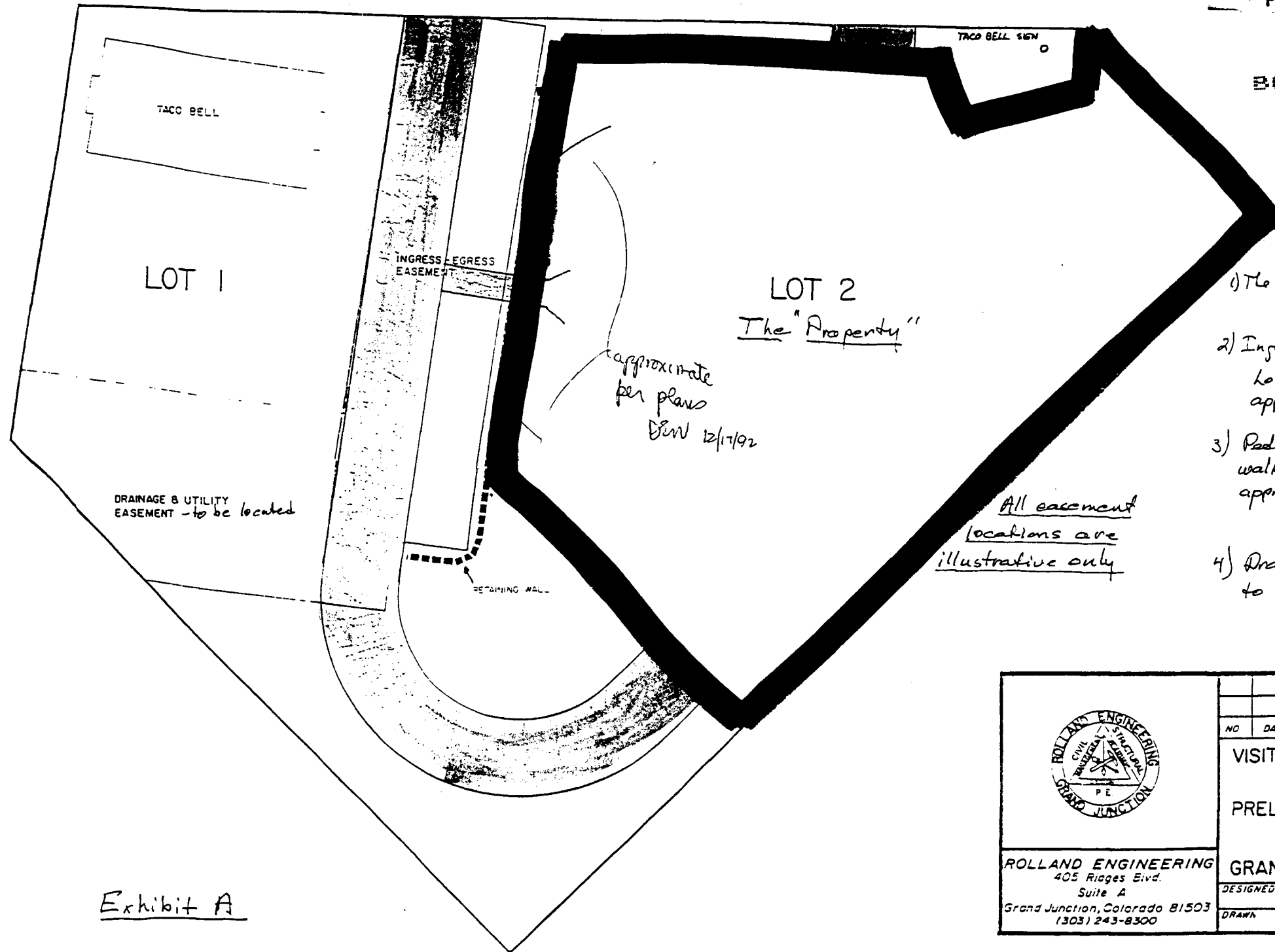
In witness whereof, each party to this memorandum has caused it to be executed in Grand Junction on the date indicated below.

Lessee:
CITY OF GRAND JUNCTION
a Colorado home rule municipality
250 North Fifth Street
Grand Junction, CO 81506


Debbie Kovalik, Exec. Director
Visitor and Convention Bureau

Lessor:
HORIZON DRIVE ENTERPRISES, INC.
a Colorado Corporation
715 Horizon Drive, Suite 380
Grand Junction, CO 81506


John Moss, President

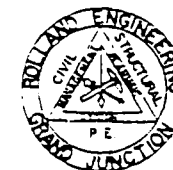


Legend:

- 1) The "Property" - leased by lessee
- 2) Ingress - Egress easements - Locations of both easements are approximate and with approval of less
- 3) Pedestrian easements and location of walkway through retaining wall - approximate and with approval of less
- 4) Drainage and utility easements are to be located by approval of lessor

All easement locations are illustrative only

Exhibit A

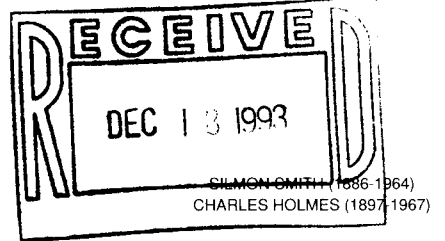


ROLLAND ENGINEERING
 405 Riages Blvd.
 Suite A
 Grand Junction, Colorado 81503
 (303) 243-8300

NO	DATE	REVISION	BY
VISITORS & CONVENTION BUREAU VISITORS CENTER PRELIM. MINOR SUBDIVISION PLAT			
GRAND JUNCTION, COLORADO			
DESIGNED	CHECKED	JOB NO	SHEET
DRAWN	DATE 12/11/92		OF

ANTHONY W. WILLIAMS
BERNDT C. HOLMES
J.D. SNODGRASS
WILLIAM D. PRAKKEN
DONALD E. JORDAN
DAVID J. TURNER
MARK A HERMUNDSTAD
SUSAN M. CORLE
JOHN P. GORMLEY
THOMAS C. VOLKMANN
GEOFFREY R. NIMS

WILLIAMS, TURNER & HOLMES, P.C.
ATTORNEYS AT LAW
COURTHOUSE PLACE BUILDING - 200 N. 6th STREET
MAILING ADDRESS - P.O. BOX 338
GRAND JUNCTION, COLORADO 81502
FAX: (303) 241-3026
TELEPHONE: (303) 242-6262

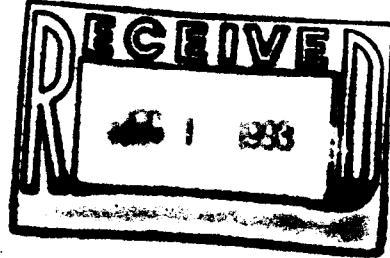


December 18, 1992

OF COUNSEL
WARREN L. TURNER
BERNARD A. BUESCHER

HAND DELIVERED

Dan Wilson, Esq.
City of Grand Junction
250 North 5th Street
Grand Junction, CO 81501



Re: Horizon Drive Enterprises, Inc. - City of Grand Junction
Ground Lease And Purchase Option Agreement

Dear Dan:

Enclosed are executed duplicate originals of the Ground Lease And Purchase Option Agreement between Horizon Drive Enterprises and the City. The lease has been dated December 17, which is the date the agreement was executed by both parties. I noted that the signatures of Mark Achen and Theresa Martinez were not notarized. Please have their signatures notarized and return one of the original leases to my attention. With regard to Exhibit A, it has been recopied as it was delivered to me after execution.

I am also enclosing Sheet No. SP1 of the Visitor And Convention Bureau plans that have been signed by John Moss indicating he signed "with comments". Please contact Mr. Moss with regard to his comments.

Yours very truly,

WILLIAMS, TURNER & HOLMES, P.C.

J. D. Snodgrass
J. D. Snodgrass csc

JDS/csc
enclosures (3)

xc: Mr. John Moss (via fax)
(w/o enclosures)

Dictated but not read

*Connie : please note
① + ②
copy 1 complete set
for our file + 1 complete
for Debbie K; original (when
notarized) to
NEVAL
g. 12/21/92*

GROUND LEASE AND PURCHASE OPTION AGREEMENT

THIS GROUND LEASE AND PURCHASE OPTION AGREEMENT (Lease) is entered into as of the 17 day of December, 1992, by and between Horizon Drive Enterprises, Inc., a Colorado Corporation (Lessor), and The City of Grand Junction, a Colorado home rule municipality (Lessee or City);

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

SECTION ONE
Description of Premises

1.1 Lessor leases to Lessee and Lessee leases from Lessor under the terms and conditions of this Lease, the premises as generally described on Exhibit A attached hereto (the Property), together with the following easements generally described on Exhibit A for illustrative purposes only: a) for ingress and egress to the Property together with a temporary construction easement therefore; b) for utility and drainage purposes; and c) for the construction and use of a pedestrian walkway through the retaining wall that is adjacent to the northwesterly boundary of the Property. Exhibit A is subject to being finalized pursuant to the terms of paragraph 5.9.

SECTION TWO
Term

2.1 The term of this Lease shall be for five (5) lease years (basic term), shall commence effective at 12:01 a.m., January 1, 1993 (Commencement Date) and shall continue unless the Property is purchased pursuant to the purchase option in Section Twenty-One or unless otherwise terminated as provided herein until 11:59 p.m., December 31, 1997, at which time this Lease shall end. The term "lease year" shall mean a period of twelve successive calendar months following each anniversary of the Commencement Date.

2.2 Should Lessee holdover and continue in possession of the Property after expiration of the basic term or any extended term of this Lease, the Lessee's continued occupancy of the Property shall be considered a month-to-month tenancy subject to all of the terms and conditions of this Lease.

SECTION THREE
Rent

3.1 Lessee agrees to pay to Lessor, at the address of Lessor set forth in Section Twenty-Three or at such other address as Lessor may from time to time designate in writing, an annual rent

for the use of the Property as set forth herein. The annual rent for the first lease year shall be in the amount of Thirteen Thousand Two Hundred Dollars (\$13,200) (the Base Rent) and shall be paid on January 1, 1993, payable in advance. On January 1 of each and every lease year thereafter, the Lessee shall pay Lessor an annual rent (Adjusted Base Rent) determined in accordance with paragraph 3.2 below.

3.2 Effective the first day of each lease year commencing with the second lease year, the Base Rent shall be increased for that lease year by an amount equivalent to the percentage increase in the cost of living since the first lease year. The Adjusted Base Rental shall be calculated using the number for All Items under the categories All Urban Consumers, U. S. City Average in the Consumer Price Index published by the Bureau of Labor Statistics of the U.S. Department of Labor (the Index) as follows:

A. The Index number for December, 1992 shall be the base Index number (B.I.N.), and the Index number for each November that immediately precedes the lease year for which the Adjusted Base Rent is to be determined shall be the current Index number (C.I.N.). By way of example but not by way of limitation or exclusion, if the second lease year of this Lease commences in January, 1994, and ends in December, 1994, the B.I.N. would be the Index number for December, 1992 and the C.I.N. would be the Index number for November, 1993.

B. The Adjusted Base Rent for any given lease year shall then be calculated by multiplying the Base Rent by the quotient obtained by dividing the C.I.N. by the B.I.N. as follows:

$$\begin{array}{rcccl} \text{Preceding lease} & & & & \\ \text{years base rent} & \times & \frac{\text{C.I.N.}}{\text{B.I.N.}} & = & \text{Current Lease} \\ & & & & \text{year base rent} \end{array}$$

D. In the event the Index (or a successor or substitute index) is not available, a reliable governmental or other nonpartisan publication evaluating the information theretofore used in determining the Index and the Index number shall be used in lieu of the Index and the Index number.

E. In the event there is a decrease in the cost of living in any lease year, the Adjusted Base Rent for the immediately ensuing lease year shall not be reduced but shall remain the same. In no event shall the Adjusted Base Rent in any lease year ever be less than the Adjusted Base Rent in the immediately preceding lease year.

3.3 Rent shall not abate for any reason unless specifically provided for in this Lease.

SECTION FOUR
Lease Term Extension Option

4.1 If the City performs as required pursuant to this Lease and as part of the consideration for the payment of all rentals provided for herein, Lessor hereby gives and grants to the City an option to extend this Lease for seven (7) successive five (5) year periods, each commencing upon the expiration of the prior five (5) year term, upon the same terms and conditions as herein set forth. In order to exercise the option for each five (5) year extended term, the Lessee shall give written notice to Lessor of its intention to exercise the option not less than sixty (60) days prior to the expiration of the basic term or any extended term of this Lease.

SECTION FIVE
Use of Property

5.1 Except as otherwise provided herein, during the basic term and the first three extended terms of this Lease (the first 20 lease years), Lessee agrees to use the Property only to construct, operate and maintain thereon a visitor and tourist center facility for the general purpose of promoting tourism in Colorado, the Grand Valley and surrounding areas or for other uses approved by the Lessor, which approval shall not be unreasonably withheld. The Lessee shall not use nor permit the Property to be used in any other fashion or in any manner contrary to the laws, ordinances or regulations of any governmental unit or agency exercising jurisdiction over the Property. After the first 20 lease years of this Lease and during all additional extended terms of this Lease (20 additional lease years), Lessee may use the Property for any lawful purpose; provided, however that the Lessee may not operate or cause to be operated on the Property a restaurant or other facility that sells food and beverage items of any kind or nature (except vending machines for the sale of snack food - which shall not include sandwiches and meals - and beverages).

5.2 To the extent the Lessee is required during the construction of any improvements on the Property to remove soil from the Property, the City shall cause all soil removed from the Property, so long as such soil contains no hazardous or toxic materials, petroleum products or any other materials deemed unsuitable by Lessor, to be placed at a reasonable location specified by John L. Moss or his agent on real property owned by

John L. Moss, his successors or assigns, and generally described as follows (Moss Property):

Approximately 17 acres in Horizon Park Subdivision located at the northeast corner of Horizon Drive and 12th Street.

Any governmental permission necessary to allow the placement of the soil above described on the Moss Property shall be the sole responsibility and expense of Lessor.

5.3 The Lessee agrees to request from Lessor, Lessor's approval of all plans for improvements to be constructed on the Property by the Lessee. Lessor's approval shall not be unreasonably withheld. It is Lessor's desire that the improvements built on the Property by the Lessee will be tasteful and reasonably compatible with the improvements located on Lessor's property immediately adjacent to the Property on the Northwest. If, for whatever reason, Lessor does not so approve, the Lessee may terminate this Lease and any moneys paid to Lessor hereunder shall be refunded to the Lessee.

5.4 The Lessee agrees that no food or drink (except vending machines for the sale of snack food and beverages; snack food shall not include sandwiches and meals) shall be sold to the general public on the Property; provided, however, that food and beverages may be delivered and consumed on the Property by and for the employees, guests and invitees of the Lessee, the Grand Junction Visitor and Convention Bureau and its Board of Directors; provided, further, that food and beverages may be delivered and consumed on the Property for special events, including, but not limited to, receptions, open houses, and conventions for and with travel trade groups, provided that said food and beverages will be provided free of charge.

5.5 With the approval of the Lessor, which approval shall not be unreasonably withheld and so long as the signs conform to ordinances and zoning laws imposed by applicable governmental agencies, Lessee may install and maintain appropriate signs on the Property associated with the operation which it conducts thereon. Presently located adjacent to the Property in the general location as described on Exhibit A is a Taco Bell sign (the Sign) owned by the Lessor. With Lessor's approval and at Lessee's cost (including but not limited to the cost of maintenance, utilities and insurance) Lessee may place on and below the Lessor's Sign a sign complying with all codes, laws and regulations. Lessor also grants to the Lessee permission to go on Lessor's property for the purpose of installation, maintenance and repair of the Lessee's sign and grants to the Lessee an easement, the location and description of

which shall be approved by Lessor, from the Property to the Sign for Lessee's utility purposes. Lessee's use of the Sign and the easement granted herein shall terminate as of the date of the termination of this Lease (unless terminated by reason of Lessee's exercise of its option to purchase) or at such time as Lessee's use of Lessor's Sign causes Lessor's Sign to violate any ordinance, law code or regulation or otherwise causes Lessor to be unable to maintain the Sign in its present or a substantially similar form. Lessee indemnifies and holds Lessor harmless from any loss, claims or demands relating to or arising out of the use of the Sign by the Lessee.

5.6 Lessee shall not commit or permit the commission of any acts on the Property nor use or permit the use of the Property in any manner that will increase the rates for or cause the cancellation of any fire, liability or other insurance policy insuring the Lessor's property adjacent to the Property.

5.7 Lessee shall not commit nor permit waste, damage or injury to the Property.

5.8 The Lessor makes no representations or warranties regarding any hazardous or toxic materials on the Property except to the extent that Lessor states that it has not deposited or caused to be deposited on or under the Property during the time that Lessor has owned the property any hazardous or toxic materials. If at any time during this Lease, hazardous or toxic materials (as then defined by applicable federal or state law) (the Materials) are discovered on the Property and such Materials were placed on the Property prior to the effective date of this Lease, Lessee shall give to Lessor written notice of such discovery identifying with reasonable specificity the materials discovered and their location. The Lessor shall have 60 days from and after the notice, during which time the Lease shall remain in full force and effect, to determine in an expeditious manner what if any action the Lessor shall take as a result of the discovery. If during the 60 day period the Lessor determines to clear the Property of the Materials, Lessor shall give written notice to the Lessee of Lessor's intent to so remove the Materials and so long as Lessor diligently undertakes to accomplish the proper removal of the Materials, this Lease shall remain in full force and effect. If Lessor determines not to remove the Materials it shall give Lessee a written notice to that effect and in that event or in the event Lessor gives no notice to the Lessee during the 60 day period above described, Lessee may, at its option, give the Lessor a written notice declaring this Lease to be terminated, which termination shall be effective 20 days following the date of the notice of termination. If it is determined that the Lessee placed

or caused the Materials to be placed on the Property then Lessee shall have none of the rights set forth in this paragraph.

5.9 On or before December 17, 1992, the Lessee shall, at Lessee's expense, cause a boundary survey to be made of the Property as it is generally described in Exhibit A. The surveyor performing the survey of the Property shall conspicuously mark all corners of the Property on the ground, as surveyed, in order that Lessor and the Lessee can observe the location of the boundaries of the Property on the ground. The surveyor shall also depict on the survey plat the location of the easements as generally described in paragraph 1.1 and as illustrated on Exhibit A. Upon completion of the survey and the marking of the corners of the Property, the Lessee shall deliver the survey or cause it to be delivered to Lessor for Lessor's review and approval. In the event Lessor does not give its written approval of the survey and the easements noted thereon on or before December 23, 1992, this Lease shall be automatically terminated and of no further force or effect. If Lessor approves the survey, the survey and the description of the Property, including the easements depicted in Exhibit A, shall be attached to and become a part of this Lease and shall be identified as Exhibit B. The Lessor shall not unreasonably withhold its approval of the easements generally described in paragraph 1.1 but all such easements shall be compatible with Lessor's use of its property and no such easements shall in any way interfere with or impair the lawful use of Lessor's property.

5.10 Lessor has provided the Lessee with true copies of all documentation relating to the Property and concerning prior land surveys, geological reports and environmental studies, including surveys, studies and reports prepared by or for the U.S. Department of Energy (DOE) and its Uranium Mill Tailings Remediation Program. By providing the foregoing information to the Lessee, Lessor does not thereby create or intend to create any representations or warranties that the information contained therein is accurate or should be relied upon by the Lessee.

SECTION SIX
Utilities

Lessee shall arrange and pay for, when due, all costs and expenses, including but not limited to deposits, use fees, interest and penalties for utilities furnished to the Property for the use of Lessee, including but not limited to all electricity, gas, water, sewer, cable and telephone service and trash and recyclables disposal and shall hold Lessor harmless from and indemnify Lessor against any and all such costs and expenses. If the Lessee shall fail to timely pay any of the foregoing, the Lessor may pay such amount(s) and, in such event, the amount(s) paid by the Lessor plus

interest at the rate of 15% per annum from the date of such payment by the Lessor shall be added to the amount of the rent due to the Lessor from the Lessee.

SECTION SEVEN
Repairs and Maintenance

7.1 Lessee shall maintain all aspects of the Property, including but not limited to the appearance and structural integrity of any improvements, landscaping, irrigation systems and signs, in good order, good appearance, condition and repair and in a clean, sanitary, orderly and safe condition and in accordance with all applicable laws, ordinances and regulations of any governmental authority having jurisdiction.

7.2 If Lessee refuses or neglects to commence repairs or perform maintenance work required under the terms hereof to be performed or paid for by Lessee within forty-five (45) days after written demand, or fails to complete such repairs or perform such maintenance within a reasonable time thereafter, Lessor may enter on the Property and make such repairs or perform such maintenance without liability to Lessee's operations by reason thereof, and if Lessor makes such repairs or performs such maintenance, Lessee shall pay to Lessor, on demand, as additional rent the cost thereof with interest at the rate of fifteen percent (15%) per annum from the date of payment by Lessor for such repairs until paid by Lessee. Any repairs made or maintenance performed by Lessee or Lessor shall be completed expeditiously.

SECTION EIGHT
Insurance

8.1 Lessee is self-insured up to \$150,000 per claim with excess coverage through Lloyd's of London pursuant to its membership in the CIRSA pool. Lessee avails itself of the protection of the Governmental Immunity Act (C.R.S. 24-10-101 et. sec.) 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 obtains insurance 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 damages claims through public use of or arising out of accidents occurring in and around the property. The Lessee's insurance coverage as set forth above shall provide coverage for the contingent liability of Lessor on any claims or losses and shall designate the Lessor as an additional insured under the terms of the Lessee's insurance. At such time as the Governmental Immunity Act is no longer in effect, and coverage through CIRSA or equivalent coverage is not maintained, then the City shall procure

and maintain in force, at its expense, during the term of this lease and any extension thereof, public liability insurance with an insurer and through a broker approved by the Lessor. Such coverage shall be adequate to protect against liability for damage claims through public use of or arising out of accidents occurring in or around the property, in a minimum amount of one million dollars (\$1,000,000) for any one person, two million dollars (\$2,000,000) for any one accident, and one hundred thousand dollars (\$100,000) for property damage. The insurance policy shall provide coverage for the contingent liability of Lessor on any claims or losses and shall designate the Lessor as an additional insured under the terms of the policy.

8.2 During the time that the City has available to it the provisions and protection of the Governmental Immunity Act and is self-insured via the CIRSA pool, or an equivalent pool, the City shall make available to Lessor, upon Lessor's written request, certificates of insurance. At such time as the Governmental Immunity Act is no longer in effect and the City is not a member of the CIRSA pool: then the policy or policies, or certificate(s) of coverage, for all policies provided for in this Section Eight shall be delivered to Lessor for its records; Lessee shall obtain a written obligation from the insurers to notify the Lessor, in writing, at least thirty (30) days prior to cancellation or refusal to renew any policy; Lessee shall provide to Lessor evidence of the timely payment of each renewal premium for the policies of insurance provided for in this Section Eight within ten (10) days of the payment of each renewal premium; in addition to declaring the Lessee in default, if the insurance policies are not kept in force during the entire term of this Lease, or any extension thereof, Lessor may procure the necessary insurance and pay the premium therefor, and the premium shall be repaid to Lessor as an additional rent installment for the month following the date on which the premiums were paid by Lessor.

SECTION NINE
Nonliability of Lessor for Damage

9.1 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 Lessee, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the Property or easements used for the benefit of the Property during the term of this Lease or any extension thereof nor for any injury or damage to any property of Lessee from any cause. Lessee shall indemnify Lessor from all liability, loss or other damage claims or obligations resulting from any injuries or losses of any nature described above in this paragraph 9.1.

9.2 Lessor shall not be liable to Lessee for any damages or any loss of profits claimed by Lessee or for interruption of Lessee's business or operations resulting from fire, the elements, casualty of any kind or the closure of access roads or driveways serving the Property.

SECTION TEN
Modifications, Alterations or Additions

10.1 Following the construction of the improvements intended to be constructed by the Lessee, no modifications, alterations, additions or remodeling of the Property shall be performed by the Lessee without the express written consent of the Lessor first being obtained, which consent shall not unreasonably be withheld.

10.2 Lessee shall indemnify and save Lessor harmless from any and all liability, including Lessor's court costs and attorney's fees in any way relating to or arising out of Lessee's construction activities on the Property including but not limited to the modification, alteration, addition to or remodeling of improvements, provided, however that this paragraph 10.2 shall not apply to the party's liability with regard to the Materials (as the term is defined in paragraph 5.8).

SECTION ELEVEN
Pledges

The Lessee shall not pledge or attempt to pledge or grant or attempt to grant as collateral or security its interest in any of the Property without the prior written consent of the Lessor.

SECTION TWELVE
Improvements

Unless otherwise agreed by the parties, all improvements placed on or attached to the Property by the Lessee shall be and become part of the Property and shall be the sole and separate property of the Lessor as of the termination (other than by exercise of the option to purchase) of this Lease.

SECTION THIRTEEN
Taxes

13.1 Lessee shall pay all general real property and personal property taxes and all special assessments of any kind levied against the Property, if any, during the term of this Lease. Taxes or special assessments for the first and last year of the term

hereof shall be prorated in accordance with the period of occupancy by Lessee.

13.2 Lessee shall pay all taxes, if any, levied and assessed against Lessee's fixtures and equipment or other personal property before the same become delinquent.

13.3 Lessee shall timely file all governmental reports or returns required to be filed by the Lessee and timely pay all taxes, assessments and premiums or payments required to be paid by the Lessee as a result of Lessee's operations on the Property.

13.4 If the Lessee shall fail to timely pay any of the foregoing, the Lessor may pay such amount(s) and, in such event, the amount(s) paid by the Lessor plus interest at the rate of 15% per annum from the date of such payment by the Lessor shall be added to the amount of the rent due to the Lessor from the Lessee.

SECTION FOURTEEN
Destruction of Premises

In case the improvements on the Property are destroyed or substantially injured by any means Lessee shall either promptly rebuild and restore the improvements or such portion as may have been injured destroyed or clear the damaged or destroyed improvements from the Property.

SECTION FIFTEEN
Breach and Remedies

Should Lessee (a) default in the performance of its agreements and obligations herein and any such default continue for a period of thirty (30) days after written notice thereof is given by Lessor to Lessee; or (b) abandon or vacate the Property; or (c) be declared bankrupt, insolvent, make an assignment for the benefit of creditors, or if a receiver be appointed, Lessor, at Lessor's option, may cancel and annul this Lease at once and enter and take possession of the Property immediately without any previous notice of intention to reenter, and such reentry shall not operate as a waiver or satisfaction in whole or in part of any claim or demand arising out of or connected with any breach or violation by Lessee of any covenant or agreement to be performed by Lessee. Upon reentry, the Lessor may remove the property and personnel of the Lessee and store the property of the Lessee in a public warehouse or at a place selected by Lessor, at the expense of Lessee and without liability to the Lessor. Any such reentry shall not work a forfeiture of nor shall it terminate the rent to be paid or the covenants to be performed by Lessee for the full term of this Lease; and, upon such reentry, Lessor may thereafter lease or

sublease the Property for such rent as Lessor may reasonably obtain, crediting Lessee with the rent so obtained after deducting the cost reasonably incurred in such reentry, leasing or subleasing, including the costs of necessary repairs, alterations and modifications to the Property. Nothing herein shall prejudice or be to the exclusion of any other rights or remedies which Lessor may have against Lessee, including but not limited to the right of Lessor to obtain injunctive relief based on the irreparable harm caused to the Lessor's reversionary rights.

SECTION SIXTEEN
Attorney's Fees

If Lessor or Lessee files any action to enforce any agreement contained in this Lease, or for breach of any covenant or condition herein contained, the party prevailing shall be entitled to receive, by judgment of the court from the other party, reasonable attorney's fees incurred in such action.

SECTION SEVENTEEN
Assignment, Sublease or License

Except as otherwise specifically provided herein, Lessee shall not assign or sublease the Property, or any right or privilege connected therewith, or allow any other person, except agents, employees, guests and invitees of Lessee, to occupy the Leased Premises or any part thereof without first obtaining the written consent of Lessor, which consent shall not be unreasonably withheld. The Lessor consents to an assignment of this Lease or a sub-lease to the Grand Junction Visitor and Convention Bureau (Bureau) or a separate entity (New Entity) formed by or at the request of the Lessor or the Bureau the purpose for which is consistent with the purpose of the Bureau and the use allowed in paragraph 5.1, on the condition that the Bureau or the New Entity shall be obligated to perform all of the terms of this Lease as if it were the named Lessee. In the event of an assignment of this Lease or a sub-lease to the Bureau or the New Entity, the Lessee (City) shall not be released from its obligations and duties under this Lease and this Lease shall remain in full force and effect. A consent by Lessor, including the consent to the assignment to the Bureau, shall not be a consent to a subsequent assignment, sublease or occupation by other persons. An unauthorized assignment, sublease or license to occupy by Lessee shall be void and shall terminate the Lease at the option of Lessor. The interest of Lessee in this Lease is not to be assignable by operation of law without the written consent of Lessor.

SECTION EIGHTEEN
Condemnation

Eminent domain proceedings resulting in the condemnation of a part of the Property leased herein, but leaving the remaining Property usable by Lessee for the purpose of its business, will not terminate this Lease unless Lessor, at its option, terminates the Lease by giving written notice of termination to Lessee, or the Lessee, at its option, terminates the Lease by giving written notice of termination to the Lessor. The effect of any condemnation, where the option to terminate is not exercised, will be to terminate the Lease as to the portion of the Property condemned, and the lease of the remainder of the Property shall remain intact. The rental for the remainder of the Lease term shall be reduced by the amount that the usefulness of the Property has been reduced for the business purposes of Lessee. Lessee hereby assigns and transfers to Lessor any claim it may have to compensation for damages as a result of any condemnation, except for compensation for damages of property of the Lessee actually so taken.

SECTION NINETEEN
Subordination

19.1 Lessee agrees that upon Lessor's request, it will subordinate this Lease to any lien or encumbrance placed voluntarily by Lessor upon the Property, including, but not limited to any encumbrance whereunder the Property, or any portion thereof, stands as security for the repayment of a debt, provided that such lien or encumbrance by its terms provides that if Lessee is not then materially in default under this Lease, this Lease shall not terminate as a result of the foreclosure of such lien or encumbrance.

19.3 In the event of the voluntary or involuntary transfer of Lessor's interest in the Property, Lessee will attorn to the transferee of, or successor to, Lessor's interest in the Property, and recognize such transferee or successor as Lessor under this Lease.

SECTION TWENTY
Option to Purchase

20.1 Subject to the terms and conditions of this Section Twenty, Lessor hereby grants to the Lessee the exclusive, irrevocable right and option to purchase the Property from Lessor.

20.2 The purchase price for the Property shall be \$125,000 in cash or good funds.

20.3 Unless extended by mutual written agreement of the parties, the option hereby granted shall expire at 5:00 p.m. MST on December 31, 1997. Except as otherwise provided herein, the Lessee may only exercise this option by delivering written notice of its intent to exercise this option (Notice) to Lessor no earlier than 8:00 a.m., November 1, 1997 nor later than 5:00 p.m. MST on December 31, 1997 (the time period from November 1 through December 31 shall be the "Notice Period"); provided, however that Lessor shall give to Lessee a written notice (Reminder Notice) at least twenty (20) days prior to November 1, 1997, advising the Lessee of the Notice Period. If the Lessee fails to give the Reminder Notice by November 1, 1997, the Lessee may still exercise the option by giving notice as hereinabove provided but the Notice Period and the expiration date of the option shall both be moved forward until the Reminder Notice is given at which time the Notice Period shall commence 20 days after the Reminder Notice and the option shall expire at 5:00 p.m. MST on the last day of the Notice Period, as extended. The option granted hereby shall expire automatically at 5:00 p.m. on the last day of the tenth (10th) lease year of this Lease even if no Reminder Notice is given during the first ten lease years of this Lease.

20.4 After the Notice, the time and place of closing shall be by mutual agreement in the City of Grand Junction on or before the end of the Notice Period (Closing Date). At closing and concurrent with the payment of \$125,000 by the Lessee to Lessor, Lessor shall convey to the Lessee marketable fee simple title to the Property, by General Warranty Deed (Deed), free and clear of any and all prior taxes, assessments, liens, encumbrances and other matters which could affect title to the Property, except the Permitted Exceptions and covenants or restrictions running with the Property as set forth in paragraph 20.5 below.

20.5 On or before fifteen (15) days from the date of this Lease, Lessor shall obtain and deliver to the Lessee, at Lessor's expense, a current title insurance commitment (Commitment) (together with legible copies of all instruments referred to therein) to issue a standard A.L.T.A. owner's title insurance policy to the Lessee in the amount of the purchase price insuring good and marketable title in fee simple to the Property in the Lessee subject only to such easements, rights-of-way, restrictions and other title matters as the Lessee shall deem, in its sole discretion, not to adversely affect the value of or the Lessee's use and occupancy of the Property. The foregoing items and the items set forth in paragraph 20.5(a) below are hereinafter referred to as the "Permitted Exceptions". All items listed on the Commitment and the easements set forth in Exhibits A and B shall be deemed to be Permitted Exceptions unless the Lessee notifies Lessor within fifteen (15) days of receipt of the Commitment that any

particular item(s) shall not be deemed to be Permitted Exceptions. The items in paragraph 20.5(a) and (b) are agreed to be Permitted Exceptions.

20.5(a) Presently located adjacent to the Property in the general location as described on Exhibit A is a Taco Bell sign (the Sign) owned by the Lessor. With Lessor's approval and at Lessee's cost (including but not limited to the cost of maintenance, utilities and insurance) Lessee may place on and below the Lessor's Sign a sign complying with all codes, laws and regulations. Lessor also grants to the Lessee permission to go on Lessor's property for the purpose of installation, maintenance and repair of the Lessee's sign and grants to the Lessee an easement, the location and description of which shall be approved by Lessor, from the Property to the Sign for Lessee's utility purposes. Lessee's use of the Sign and the easement granted herein shall terminate at such time as the Property ceases to be used as a visitor and tourist center as contemplated in paragraph 5.1 or at such time as Lessee's use of Lessor's Sign causes Lessor's Sign to violate any ordinance, code, law or regulation or otherwise causes Lessor to be unable to maintain the Sign in its present form or a substantially similar form. Lessee indemnifies and holds Lessor harmless from any loss, claims or demands relating to or arising out of the use of the Sign by the Lessee.

20.5(b) The Lessee agrees that restrictions shall be placed in the Deed to the Lessee which shall run with the Property, for a period of forty (40) years from the date of this Lease, providing that no food or drink (except water and except vending machines for the sale of snack food and beverages; snack food shall not include sandwiches and meals) shall be sold to or for the benefit of the public on the Property. For a period of twenty (20) years from the date of this Lease the use of the Property shall be restricted to use as a visitor and tourist facility as described in paragraph 5.1 or for such other uses as may be approved by Lessor, which approval shall not be unreasonably withheld. The language of the restrictions shall be prepared by the Lessor and submitted to Lessee for Lessee's approval, which approval shall not be unreasonably withheld.

20.6 In the event the Lessee notifies Lessor that certain exception(s) on the Commitment is/are not acceptable, Lessor shall have fifteen (15) days thereafter in which to remove such exception(s) or to notify the Lessee that Lessor is unable to

remove such exceptions, in which case the Lessee may elect to terminate this Lease or to accept such exceptions (which the Lessee shall be deemed to do if the Lessee does not timely elect to terminate its agreement to purchase the Property). The Commitment shall affirmatively provide for the deletion, at Lessee's sole expense, of all standard printed exceptions of Schedule B thereof. In the event of Lessee's exercise of the purchase option provided for in this Section Twenty, on or before five (5) days prior to the Closing Date, Lessor shall obtain and deliver to the Lessee, at Lessor's sole expense, an endorsement to the Commitment with a current effective date, showing no new title exceptions therein from and after the date of the original Commitment. If any new exceptions appear, Lessor shall have three (3) days within which to notify the Lessor that the new exceptions are not acceptable. If no such notice is given the new exceptions are deemed to be acceptable. In the event Lessee gives notice that any such new exceptions are not acceptable, Lessor shall have fifteen (15) days (during which time the Closing Date shall be extended) within which to cause such new exceptions to be deleted or otherwise satisfy the Lessee's objections relating to the new exceptions. If the Lessee's objections to the new exceptions are not satisfied the Lessee may choose to accept such new exceptions and complete the purchase of the Property as herein provided or refuse to purchase the Property in which case each party shall be returned to its capacity as Lessor and Lessee and the terms of this Lease shall continue in effect. After the Closing Date, Lessor shall obtain and deliver to the Lessee, at Lessor's sole expense, a title policy for the Property in the amount of the purchase price showing fee simple title thereto as being vested in the Lessee subject only to the Permitted Exceptions. If the Lessee does not exercise the option hereunder, it shall pay the cancellation fee for such Commitment.

20.7 On or before ten (10) days from the date of the Lessee's notice to exercise its option to purchase the Property, Lessor shall deliver to the Lessee an estoppel certificate duly executed by the holders of any encumbrances against the Property, certifying that there are no uncured defaults under such encumbrances and that the Property may be released from said encumbrances on the Closing Date as contemplated in this Lease, upon the payment of a sum of money as stated in said certificate, or otherwise upon the terms and conditions set forth in said certificate. Lessor covenants and agrees that the amount(s) required to be paid for such release(s), as stated in said certificate(s), shall not exceed, in the aggregate, the cash to which Lessor shall be entitled from the Lessee upon the Closing Date. The Lessor shall also deliver to the Lessee an estoppel certificate executed by the Lessor certifying that there are no utility expenses or fees of any kind or nature relating to the Property that are unpaid or past due.

20.8 The Property is part of a larger tract of land, on the north portion of which is now situated a Taco Bell restaurant. The Lessee's ability to exercise its option to purchase the Property is contingent upon the City Council of the City of Grand Junction giving its approval to the subdividing of the larger tract in accordance with the Zoning and Development Code of the City of Grand Junction in order that the Property may be sold in accordance with this agreement. The failure of the Lessee to obtain the approval for the subdividing of the larger tract shall not, without the consent of the Lessor, be a basis for the extension of the option to purchase granted by this Section Twenty. So long as the option period has not expired, the Lessee may take any and all action it deems necessary and appropriate in its name to effectuate the proper subdividing of the larger tract into two separate parcels; provided, however, that the subdividing of the larger tract shall in no way affect the existing lawful use and occupancy by the Taco Bell restaurant. Lessor shall cooperate with Lessee to effectuate the proper subdividing of the larger tract into two separate parcels on the condition that Lessee shall indemnify Lessor from any and all liability and costs in any way relating to such subdivision process.

20.9 Neither the granting of an easement to the Lessee for ingress and egress to the Property nor the Lessee's use or purchase of the Property shall in any way affect or interfere with the Lessor's conditional use permit to operate the existing Taco Bell restaurant adjacent to the Property as approved by the City of Grand Junction. As a result of the loss of parking spaces on the Taco Bell property due to the access easement to the Property over the Taco Bell property, the Lessee shall and hereby does lease to the Lessor for the use of Lessor and Lessor's customers, employees, guests and invitees exclusively, five parking spaces located on the Property which is that number of parking spaces that are presently necessary for the Lessor to maintain its conditional use permit to operate the existing Taco Bell restaurant. Lessee agrees to grant to the Lessor the right to use parking on the Property jointly for the benefit of the Lessee and the Lessor to the extent such joint use is authorized by ordinance or law.

20.10 If any payment or any other condition hereof is not made, tendered or performed as herein provided, there shall be the following remedies: In the event the Lessee fails to perform any covenant or agreement hereof as provided herein Lessor shall give written notice thereof; if the Lessee fails to take reasonable steps and to thereafter diligently proceed to cure or correct such non-performance within thirty (30) days of receipt of notice, then this Section Twenty shall be null and void and of no effect, and both parties hereto shall thereupon be released from all obligations under this Section Twenty, all money paid hereunder by

the Lessee, if any, shall be retained by Lessor as liquidated damages, as Lessor's sole and exclusive remedy hereunder and the parties shall be returned to their capacities as Lessor and Lessee pursuant to the terms of this Lease as if the purchase option had never been exercised. In the event Lessor fails to perform any covenant or agreement as provided herein, then the Lessee shall give thirty (30) days written notice thereof and if Lessor fails to cure or correct such non-performance, the Lessee may, at its election, treat this Section Twenty as terminated, recover all money paid under this Section Twenty to the Lessor, if any, and the parties shall be returned to their capacities as Lessor and Lessee pursuant to the terms of this Lease as if the purchase option had never been exercised or, if the Lessor's default relates to its obligations under this Section Twenty, the Lessee may treat this Section Twenty as being in full force and effect with the right to an action for specific performance but not for damages. Neither party shall be deemed to be in default hereunder until thirty (30) days after written notice shall have first been delivered to the other party specifically setting forth the default(s) and such default(s) remains uncured at the expiration of such thirty (30) day period.

20.11 The Lessee and Lessor hereby agree to defend, indemnify and hold the other harmless from any claim for real estate brokerage commissions asserted by any other party claiming to be entitled to brokerage commissions arising out of this transaction.

20.12 The provisions of the first sentence of paragraph 5.8, Section Nine, Paragraph 10.2, Section Sixteen and Section Twenty shall survive the closing and transfer of title to the Property. No modification or extension of this Lease shall be deemed to extend this option to purchase beyond the expiration date specified in paragraph 20.3. The option to purchase granted herein shall automatically expire as of the date of the termination of this Lease if the Lease is terminated prior to the expiration date of this purchase option specified in paragraph 20.3.

SECTION TWENTY-ONE
Parking Lease - Conditional Use Permit

21.1 During this Lease, neither the granting of an easement to the Lessee for ingress and egress to the Property nor the Lessee's use or purchase of the Property shall in any way affect or interfere with the Lessor's conditional use permit to operate the existing Taco Bell restaurant adjacent to the Property as approved by the City. As a result of the loss of parking spaces on the Taco Bell property due to the access easement to the Property over the Taco Bell property, the Lessee shall and hereby does lease to the Lessor for the use of Lessor and Lessor's customers, employees,

guests and invitees exclusively, five parking spaces located on the Property which is that number of parking spaces that are presently necessary for the Lessor to maintain its conditional use permit to operate the existing Taco Bell restaurant. Lessee agrees to grant to the Lessor the right to use parking on the Property jointly for the benefit of the Lessee and the Lessor to the extent such joint use is authorized by ordinance or law.

SECTION TWENTY-TWO
Waivers

The failure of the Lessor or Lessee, as the case may be, to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights or remedies that Lessor or Lessee, as the case may be, may have regarding that specific instance only and shall be deemed a waiver of any subsequent breach or default in any term and conditions.

SECTION TWENTY-THREE
Notice

23.1 All notices to be given with respect to this Lease shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the address set forth herein or at such other address as either party may from time to time designate in writing.

To Lessor: Horizon Drive Enterprises, Inc.
 715 Horizon Drive, Suite 380
 Grand Junction, CO 81506

To Lessee: City Manager
 250 North 5th Street
 Grand Junction, CO 81501

23.2 Every notice shall be deemed to have been given forty-eight (48) hours after the time it is deposited in the United States mails 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.

SECTION TWENTY-FOUR
Total Agreement; Applicable to Successors

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 successors and authorized assigns of both parties.

SECTION TWENTY-FIVE
Applicable Law

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

SECTION TWENTY-SIX
Time of the Essence

Time is of the essence in all provisions of this Lease.

SECTION TWENTY-SEVEN
Pronouns, Singular and Plural

Unless the context requires otherwise, words denoting the singular may be construed as denoting the plural, and words of the plural may be construed as denoting the singular, and words of one gender may be construed as denoting such other gender as is appropriate.

SECTION TWENTY-EIGHT
Consent - Memorandum

28.1 This entire agreement and the Lessor's obligation to proceed under its terms is expressly conditioned upon the consent and approval by Taco Bell, Inc. In the event such approval is not obtained on or before December 24, 1992, this Lease shall be automatically void and of no effect.

28.2 Lessor, at any time, may prepare, Lessee shall approve, which approval shall not be unreasonably withheld, Lessee shall execute and Lessor may then record in the real estate records of Mesa County a memorandum of this Lease in form and substance acceptable to Lessor.

SECTION TWENTY-NINE
Conditions

29.1 Lessee's obligations under the Lease are subject to and contingent upon, for each lease year, the City Council of the City annually appropriating such sums as are necessary to authorize the payment of the lease payment.

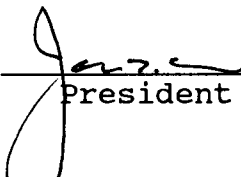
29.2 The parties acknowledge that the City is in the process of appropriating sums sufficient to equal present cash reserves for lease payments in all future years of the basic term of this Lease.

That appropriation process will not be completed until 30 days after publication of an ordinance which will occur approximately December 16, 1992. Notwithstanding that the appropriation process will not be completed until after January 1, 1993, the parties agree that this Lease shall be effective on January 1, 1993, the Lessee's first lease payment shall be due on that date and the Lessee shall then be entitled to possession of the Property.

29.3 In the event that the appropriating ordinance is not effective because of a citizen referendum or otherwise on or before January 31, 1993, this Lease may thereafter be terminated by either party by giving the other party written notice providing that the termination shall be effective ten (10) days after the notice. In the event of such termination, Lessor shall return to Lessee on or before March 1, 1993, the first annual lease payment less an amount equal to the daily rent (\$36.16) times the number of days from January 1, 1993 to and through the effective date of termination of the Lease. Possession of the Property and any and all improvements thereon shall be returned to the Lessor on and after the effective date of the termination hereunder.

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

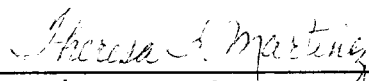
LESSOR:
Horizon Drive Enterprises, Inc.,
a Colorado corporation

By 
President

LESSEE:
City of Grand Junction, a Colorado
Home Rule Municipality,

By 
Mayor or City Manager

ATTEST:

By 
Deputy City Clerk

STATE OF COLORADO)
) ss.
COUNTY OF M E S A)

The foregoing instrument was acknowledged before me this 17 day of December, 1992 by John L. Moss as President of Horizon Drive Enterprises, Inc.

WITNESS my hand and official seal.

My commission expires October 18, 1994.

Darrell P. New
Notary Public

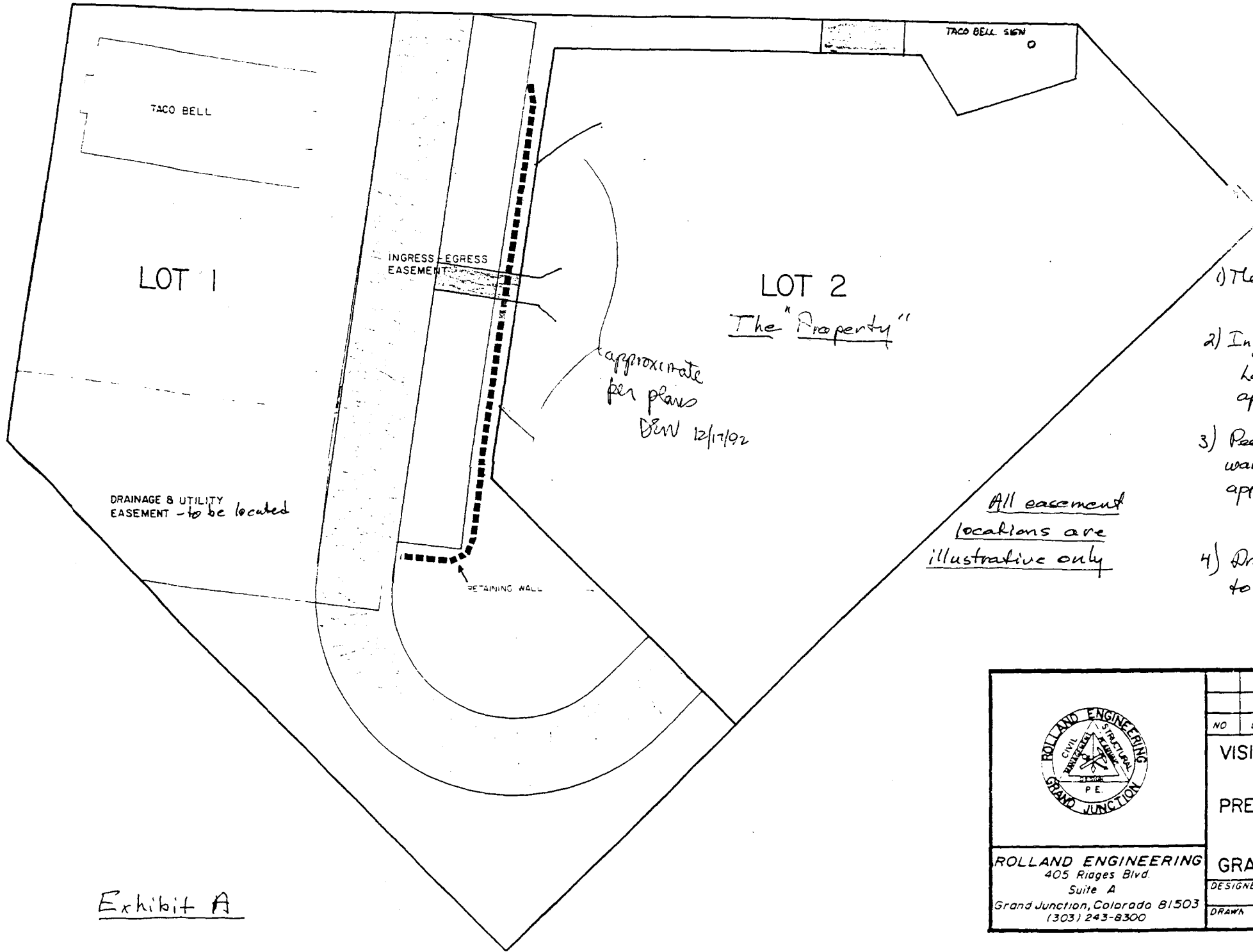
STATE OF COLORADO)
) ss.
COUNTY OF M E S A)

The foregoing instrument was acknowledged before me this 21 day of December, 1992 by Reford Theobald or Mark Achen as Mayor or City Manager and ~~Neva Lockhart~~ as City Clerk of the City of Grand Junction. Teddy Martinez Deputy


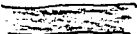
WITNESS my hand and official seal.

My commission expires 6-23-94.

Neva Lockhart
Notary Public

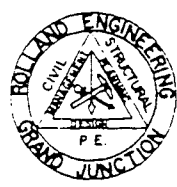


Legend:

- 1) The "Property" - leased by lessee
- 2) Ingress-Egress easements - 
Locations of both easements are approximate and with approval of lessor
- 3) Pedestrian easements and location of walkway through retaining wall - 
approximate and with approval of lessor.
- 4) Drainage and utility easements are to be located by approval of lessor.

All easement locations are illustrative only

Exhibit A

	NO		DATE	REVISION	BY
	VISITORS & CONVENTION BUREAU VISITORS CENTER PRELIM. MINOR SUBDIVISION PLAT				
GRAND JUNCTION, COLORADO					
DESIGNED	CHECKED	JOB NO	SHEET		
DRAWN	DATE 12/11/92		OF		

ROLLAND ENGINEERING
405 Ridges Blvd.
Suite A
Grand Junction, Colorado 81503
(303) 243-8300