

PUR92WTF

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	CONTRACT
NAME OF CONTRACTOR:	PURDY MESA LIVESTOCK WATER COMPANY
SUBJECT/PROJECT:	THE CONVEYING OF 5.51 ACRES TO PURDY MESA LIVESTOCK WATER COMPANY FOR THE CONSTRUCTION AND OPERATION OF A DOMESTIC WATER TREATMENT FACILITY
CITY DEPARTMENT:	UTILITIES AND STREETS
YEAR:	1992
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

June 15, 1992

To: Jim Shanks, Greg Trainor, Bill Cheney, Terry Franklin,
Dan Vanover, Neva Lockhart

From: Tim Woodmansee *Jim*

Subj: Agreement with Purdy Mesa Livestock Water Company

Attached for your information is a fully executed agreement to convey 5.51 acres of city property to the Purdy Mesa Livestock Water Company.

The agreement includes terms whereby the land would revert back to the city in the event of abandonment. The agreement also gives the city a first right of refusal to purchase if the company attempts to sell the property, proposed treatment facility and/or water supply system.

The actual conveyance must be approved by the County. The agreement places this burden and associated costs on the company. Due to the time required to meet County regulations, the agreement effectively leases the property to the company for a period of 9 months or until conveyance has been approved by the County, whichever occurs first.

AGREEMENT

THIS AGREEMENT is entered into by the City of Grand Junction, Colorado, a home rule municipality ("City"), and the Purdy Mesa Livestock Water Company, a Colorado corporation, ("Company").

1. Subject to the provisions contained herein, the City agrees to convey, and the Company agrees to accept, title to the following described real property, to wit:

Commencing at the Southeast Corner of Section 36, Township 12 South, Range 96 West of the 6th Principal Meridian, Mesa County, Colorado, and considering the South line of said Section 36 to bear N 89°20' W with all bearings contained herein being relative thereto;
thence N 89°20' W along the South line of said Section 36 a distance of 350.0 feet to the POINT OF BEGINNING;
thence N 89°20' W along the South line of said Section 36 a distance of 300.0 feet;
thence N 00°40' E a distance of 800.0 feet;
thence S 89°20' E a distance of 300.0 feet;
thence S 00°40' W a distance of 800.0 feet to the POINT OF BEGINNING,
containing 5.51 acres, more or less.

2. The Company agrees to use the property for the construction and operation of a domestic water treatment facility and related purposes and facilities only. In the event the water treatment facility is ever abandoned by the Company, or if the process to construct a water treatment facility on the property is abandoned by the Company, then the property shall automatically revert back to the City. For the purposes of this Agreement, abandonment shall mean: 1) Non use of the facility for a period of 18 consecutive months, or; 2) Failure by the Company to have the water treatment facility constructed and operational by December 31, 1993.

In the event of abandonment and automatic reversion, the Company shall, at its own expense and within 180 days of written notice by the City, remove all improvements including, but not limited to, buildings, pipelines, fences and all other improvements and appurtenances, and shall surrender the property to the City and restore the property to a condition which is reasonably comparable with the condition which existed when the Company entered the property. If the Company fails to remove all improvements and appurtenances within said 180 day period, then the City may remove and sell the same, with all proceeds from said sale being retained by the City.

3. The Company shall maintain the property and all improvements in a clean and respectable fashion and shall at all times keep the Property free from junk, litter and trash. For the purposes of this Agreement, junk, litter and trash shall mean any item, product or material which is not necessary for the operation and maintenance of the water treatment facility and shall include

paper or paper products, rubber or plastic products, wood or wood products, and dismantled machinery, equipment and parts. After receipt of written notice by the City of the existence of junk, litter or trash as defined, the Company shall have fifteen (15) days' opportunity to demonstrate that the purported junk, litter or trash is necessary for the operation and maintenance of the water treatment facility. If after the aforementioned fifteen (15) day opportunity the Company has failed to either: 1) demonstrate the usefulness of the material(s) as herein provided, or; 2) failed to remove the materials described in the written notice by the City, the City may cause to have the same removed, and the Company shall pay the costs thereof within ten (10) days of receipt of a bill or invoice for the same.

4. The Company shall be responsive to all complaints concerning damage or interference with the surrounding properties and shall take all measures reasonably necessary to assure that the surrounding properties are not damaged or interfered with in any manner as a result of the Company's usage of the property.

5. The City specifically retains and reserves from the conveyance any and all water and water rights whether or not owned by the City including, but not limited to, any water and water rights which may have been previously used on or in connection with the property, for whatever purpose. The City further retains and reserves from the conveyance 30 foot wide easements for City purposes for the operation and maintenance of all water ditches crossing the property. Said easements shall be measured 15 feet from the centerline of said ditches. The Company may modify or relocate any ditches to other locations on the Property, provided that such relocation will not interfere with the operation and maintenance of said ditches, including impacts to the flow and quantity of water in said ditches; provided, further, that any such modification or relocation shall not be performed without first obtaining the prior written consent of the City, which consent will not be unreasonably withheld.

6. The Company warrants that it has thoroughly and carefully inspected the Property and accepts the same in its present condition. The Company agrees that the size, condition and location of the property is sufficient for the purposes of the Company. The City makes no warranties nor promises that the Property is sufficient for the purposes of the Company.

7. The City hereby retains and reserves from the conveyance all oil, gas, coal and other minerals and mineral rights underlying or appurtenant to the property presently owned by the City.

8. In the event the Company determines to sell or transfer the property together with the improvements situated thereon, the City shall have the first right of refusal to purchase the same by meeting any bona fide offer of purchase which is acceptable to the Company, subtracting therefrom the amount of \$3,000.00, which

amount represents the original value of the property. The Company shall notify the City in writing of the terms and conditions of any such bona fide offer, and the City shall have 60 days from the Company's mailing of such notice to exercise its first right of refusal.

9. In the event the Company determines to sell its water supplies system, the City shall have the first right of refusal to purchase the same by meeting any bona fide offer of purchase which is acceptable to the Company, subtracting therefrom the amount of \$3,000.00 as set forth in paragraph 8 above.

10. In the event the Company determines to sell both the Property and its water supplies system to one party, the City shall not have the right of first refusal to purchase only one part, but rather, shall have the right of first refusal to purchase both parts in the manner set forth in paragraph 8 and paragraph 9 above.

11. The conveyance of the Property by the City to the Company shall be subject to all applicable rules and regulations of the County of Mesa. In this regard, the Company agrees to furnish all information and pay all expenses required by the County to accomplish the conveyance herein described, including, but not limited to, field surveys, survey plats, engineering reports and drawings, and all application, processing and recording fees.

12. Access to the property shall be restricted by the Company erecting and maintaining, at its own expense, security fences and gates; provided, however, that the City reserves the right to approve of and consent to the type(s) of fencing materials to be used, which consent will not be unreasonably withheld.

13. The Property to be conveyed is presently leased to Steven Bonnell and Rodney Bonnell ("Lessees") through October 31, 1996. The Company shall secure a release of the property from the Lessees prior to the conveyance, and shall pay for all costs associated with securing said release.

14. The City and the Company have heretofore entered into a Water Purchase Agreement dated the 19th day of July, 1989. Nothing herein shall operate to modify or amend said Agreement and shall in no way effect said Agreement or release the parties from performing the several obligations contained therein.

15. The City agrees to convey to the Company easements necessary for the installation, operation and maintenance of pipelines for the conveyance and delivery of water from the City Flowline to the Property and from the Property to the Purdy Mesa Livestock Company transmission line. Such easements shall be 30 feet wide measured 15 feet on the centerline of said pipelines as shown on the attached Exhibit A.

16. The provisions of this Agreement shall not be merged in a deed, but shall survive the transfer of title.

17. For the purposes of the real estate conveyance as herein provided, the City and the Company intend that this Agreement constitute the complete agreement between the parties.

18. The City's obligation to perform under this Agreement is expressly conditioned upon the approval of this Agreement by the Grand Junction City Council within 30 days of execution of this Agreement by the City Manager of the City and the President of the Company.

19. The City agrees to lease the Property to the Company from the date of execution indicated below for a period of nine (9) months or until conveyance has been made and approved by the County of Mesa, whichever event occurs first. The lease is expressly conditioned upon the approval of this Agreement by the Grand Junction City Council as specified in paragraph 18 above.

The City of Grand Junction,
Colorado

By Mark K. Achen 6/11/92
Mark K. Achen, Date
City Manager

The Purdy Mesa Livestock Water
Company

By W.D. Bradbury 6/15/92
W.D. Bradbury, Date
President

EXTENSION AGREEMENT

THIS EXTENSION AGREEMENT is made and entered into as of the 16th day of March, 1994, between the City of Grand Junction, a Colorado home rule municipality, hereinafter referred to as "the City", and the Purdy Mesa Livestock Water Company, a Colorado corporation, hereinafter referred to as "the Company".

RECITALS

A. Pursuant to that certain Agreement between the City and the Company dated July 15, 1992, which Agreement is on file with the City Clerk of the City and incorporated herein by this reference (hereafter "the Agreement"), the City conveyed to the Company that certain real property (hereinafter "the Property") described in a Warranty deed recorded in Book 1935 at Pages 61 & 62 in the office of the Mesa County Clerk and Recorder.

B. The Property was conveyed to the Company for the sole use and purpose by the Company as a site for a water treatment facility.

C. Pursuant to Section 2 of the Agreement, the Property automatically reverts back to the City in the event the Company fails to have the water treatment facility constructed and operational by December 31, 1993. The Company has not constructed and does not operate said facility as of March 16, 1994.

D. The parties desire to amend the Agreement by extending the reversion date as provided in Section 2 thereof.

NOW, THEREFORE, in consideration of the terms, covenants, promises and conditions herein stated, the parties to this Extension Agreement agree as follows:

1. The automatic reversion date as provided in Section 2 of the Agreement is hereby extended from December 31, 1993, to December 31, 1994, upon the same terms and conditions as provided in the Agreement.

2. All other the terms, covenants and conditions of the Agreement shall remain in full force and effect under this Extension Agreement; the Company agrees to abide by the terms, covenants and conditions of the Agreement and to not violate any of the terms, covenants and conditions thereof.

3. The Company agrees to hold the City, its officers, employees and agents harmless from, and to indemnify the City, its officers, employees and agents, with respect to any liabilities, damages or claims therefor which may arise from, or be related to, the lack of an operational facility which treats water to required standards.

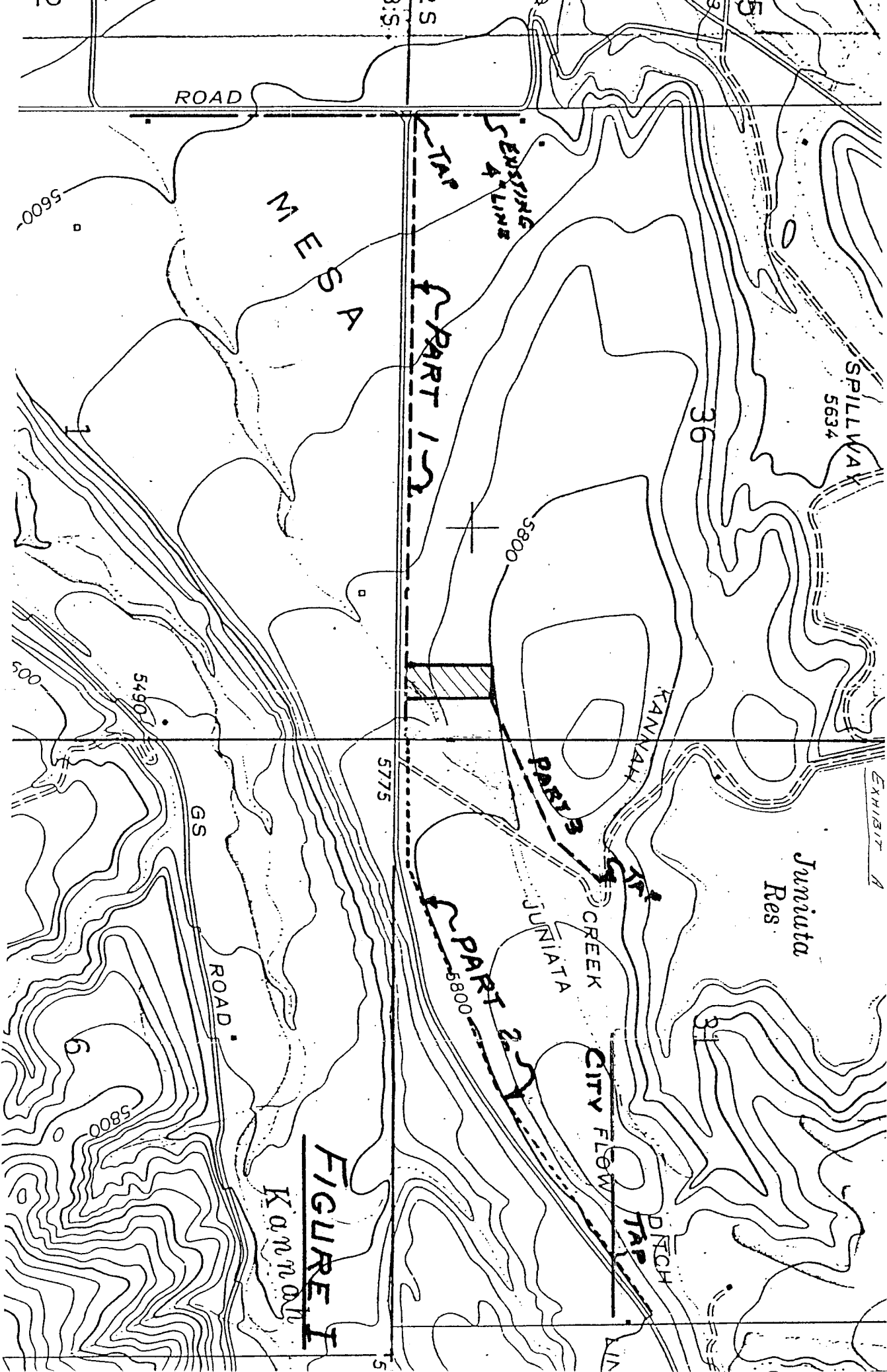


FIGURE I

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IN WITNESS WHEREOF, each party to this Extension Agreement has caused it to be executed as of the day and year first above written.



The City of Grand Junction, a Colorado home rule municipality

Stephanie Nye
City Clerk

David A. Valley
ASST. City Manager

Attest:

The Purdy Mesa Livestock Water Company, a Colorado corporation

Paul F. Cavanagh
Secretary

Victor Jensen
President