

RESOLUTION NO. 118-96

**AUTHORIZING A FIVE YEAR LEASE OF CITY PROPERTY
TO BONNIE LOUISE SIMINOE**

WHEREAS, the City of Grand Junction is the owner of the following described real property in the County of Mesa, State of Colorado, to wit:

Township 2 South, Range 2 East of the Ute Meridian:

Section 25: The SE1/4 of the SW1/4,
 The NW1/4 of the SE1/4,
 All that part of the N1/2 of the SW1/4, the SE1/4 of the NW1/4,
the S1/2 of the NE1/4, and the NE1/4 of the NE1/4 lying Southerly and Easterly
 of Lands End Road.

Section 35: The SE1/4 of the NE1/4, excluding the North 100 feet thereof;

Township 12 South, Range 98 West, 6th Principal Meridian:

Commencing at the SW Corner of Section 36, thence East along the South line of said Section 36 a distance of 660.00 feet to the True Point of Beginning, said point being the Southwest corner of that tract of land conveyed by instrument recorded in Book 1145, Page 824 in the office of the Mesa County Clerk and Recorder; thence S 89°55'31" E a distance of 3314.31 feet, more or less; thence N 00°59'04" E along a strand barbwire fence a distance of 529.82 feet, more or less, to an existing fence corner; thence N 84°34'44" W along said fence line a distance of 906.87 feet; thence continuing along said fence line, S 01°51'29" E a distance of 80.46 feet, more or less, to an existing fence corner; thence S 88°57'38" W along said fence line a distance of 412.29 feet; thence continuing along said fence line, S 89°28'22" W a distance of 916.30 feet, more or less, to an existing fence corner; thence N 50°54'21" W along said fence line a distance of 850.80 feet, more or less, to an existing fence corner; thence S 00°04'01" W along said fence line a distance of 1009.63 feet, more or less, to the True Point of Beginning; and

WHEREAS, Bonnie Louise Siminoe, in response to a Request for Proposals issued by the City, has submitted a proposal to lease the above described Property as set forth in the attached Lease Proposal for the Hallenbeck Ranch, wherein Bonnie Louise Siminoe proposes to lease the property from the City and, at Bonnie Louise Siminoe's own costs and expense, improve the condition of the property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

That the City Manager be authorized, on behalf of the City and as the act of the City, to execute the attached Lease Agreement with Bonnie Louise Siminoe for the lease of said property for a term of five years, commencing on January 1, 1997, and expiring on December 31, 2001, subject to each and every term contained in the attached Lease Agreement.

PASSED and ADOPTED this 18th day of December, 1996

Attest:

/s/ Linda Afman
President of the Council

/s/ Stephanie Nye
City Clerk

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the 1st day of January, 1997, by and between the City of Grand Junction, a Colorado home rule municipality, hereinafter referred to as "the City", and Bonnie Louise Siminoe, hereinafter referred to as "Lessee", whose address for the purpose of this Lease is 8700 Reeder Mesa Road, Whitewater, Colorado 81527.

RECITALS

A. The City is the owner of certain real property in the County of Mesa, State of Colorado, as described on **Exhibit "A"** attached hereto and incorporated herein by reference. Said real property, together with the improvements, fixtures and appurtenances related thereto and affixed thereon, are hereinafter referred to as "the Property".

B. The City seeks to improve cultivation and irrigating practices, to raise the standard of care related to livestock grazing, and to prevent vandalism. Fields which once contained quality pasture grasses are being overgrown with noxious weeds, sagebrush and Russian olive trees. Boundary fences and cross fences are in need of repair and/or replacement. Since being recently vacated, the house on the property has been vandalized and is currently uninhabitable.

C. Lessee has submitted a proposal to lease the Property as set forth in the "Lease Proposal For The Hallenbeck Ranch" attached hereto as **Exhibit "B"** and incorporated herein by reference, wherein Lessee proposes to lease the Property from the City and, at Lessee's sole cost and expense, improve the condition of the Property.

D. The parties desire to provide for the lease of the Property by the City to Lessee pursuant to the terms and conditions stated in this Lease Agreement.

NOW, THEREFORE, in consideration of the recitals above and the mutual terms, covenants and conditions contained herein, the parties hereto agree as follows:

1. Grant of Lease. The City hereby leases the Property to Lessee, and Lessee hereby accepts and leases the Property from the City, for the term stated in Section 3 and subject to each and every other term and condition stated in this Agreement.

2. Reservations From Lease.

2.1 The City retains and reserves unto itself:

(a) all oil, gas, coal and other minerals and mineral rights underlying or appurtenant to the Property;

(b) all hunting rights concerning the Property;

(c) all water and water rights, ditches and ditch rights appurtenant to or connected with the Property, including, but not limited to, any water and/or water rights which may have been previously used on or in connection with the Property, for whatever purpose; provided, however, that the City may allow Lessee to utilize certain water and water rights and ditches and ditch rights owned by the City as herein provided.

3. Term. The term of this Lease shall be for a period of Five (5) years (the “basic term”), commencing on January 1, 1997 (the “Commencement Date”) and continuing through December 31, 2001, on which date this Lease shall expire unless this Lease is extended pursuant to the provisions of Section 5 of this Agreement or unless this Lease is otherwise terminated as herein provided. The term “lease year” shall mean a period of twelve (12) successive calendar months following each anniversary of the Commencement Date.

4. Rental.

4.1 Lessee agrees to pay to the City, at the address of the City as set forth in Section 20 or at such other address as the City may from time to time designate in writing, an annual rent for the use of the Property, payable as follows:

- (a) \$1,200.00 shall be paid on or before January 1, 1997;
- (b) \$1,200.00 shall be paid on or before January 1, 1998;
- (c) \$1,500.00 shall be paid on or before January 1, 1999;
- (d) \$1,700.00 shall be paid on or before January 1, 2000;
- (e) \$2,000.00 shall be paid on or before January 1, 2001.

4.2 The rental payments specified in Section 4.1 shall be due and payable on or before the dates specified therein without demand by the City. In the event rental payments are not received on or before the specified dates, Lessee agrees to pay a late charge of \$50.00 for each and every day following the specified due date, which late charge shall be added to the amount of rent(s) due. This Lease, at the option of the City, shall automatically terminate, and the City may immediately retake possession of the Property, if the specified rental payments are not received by the City on or before January 30 of each lease year.

4.3 As additional rental for the Property, Lessee agrees to pursue to completion the specific items described in **Exhibit “C”** (Operation Plan) attached hereto and incorporated herein by reference, and to further pursue to completion the specific items set forth in the “Financial Proposal” section (beginning on page 11) laid out in Lessee’s “Lease Proposal for the Hallenbeck Ranch” attached hereto and incorporated herein by reference.

5. Option to Extend Lease. If Lessee performs as required pursuant to this Agreement, and if the City chooses, at its sole option and discretion, to again lease the Property at the expiration of the basic term, the City hereby gives and grants to Lessee an option to extend

this Lease for one (1) additional five (5) year period (“second term”). If this Lease is so extended for a second term, the second term shall be upon the same terms and conditions of this Agreement or upon other terms and conditions which may hereafter be negotiated between the parties. In order to exercise Lessee’s option for a second term, Lessee shall give written notice to the City of Lessee’s desire and intention to exercise Lessee’s option to extend not less than ninety (90) days prior to the expiration of the basic term.

6. Representations and Covenants of the City.

6.1 The City represents that it has the authority to enter into this Lease Agreement.

6.2 Upon Lessee paying the required rentals and performing each and every term and condition of this Agreement to be performed by Lessee, Lessee may quietly and peacefully occupy, utilize and enjoy the Property during the basic term and, if applicable, during the second term.

7. Representations and Covenants of Lessee.

7.1 During the basic term or any second term, Lessee agrees to pay the rental payments specified in Section 4 and all other amounts required to be paid by Lessee.

7.2 Lessee agree to timely pay any and all real estate taxes and improvement assessments which may be levied upon and against the Property, and any taxes or assessments levied against the crops, livestock and other personal property of Lessee or any other leasehold interest acquired by Lessee under this Lease. Lessee further agree to pay any and all utilities charges and other expenses incurred in connection with Lessee’s use, occupancy and operation of the Property, including, but not limited to, all charges for natural gas, electricity, telephone, domestic water and other utilities used on or in connection with the Property. Lessee shall pay any such charges on or before the date the same become due.

7.3 If Lessee fails to timely pay any and all amounts required pursuant to this Lease, the City may pay such amounts and, in such event, the amount(s) paid by the City, plus interest thereon at the rate of 15% per annum, shall be added to the amount(s) of the rent due and payable by Lessee.

7.4 Lessee agrees to forever waive and forego any claim, cause of action or demand Lessee may have against the City, its officers, employees and agents for injury to or destruction of any property of Lessee or any third person that may be lost, injured, destroyed or devalued as a result of the act, or failure to act, of Lessee or any third person; and to forever indemnify the City, its officers, employees and agents and to forever hold the City, its officers, employees and agents harmless from any and all claims, damages, actions, costs and expenses of every kind in any manner arising out of, or resulting from Lessee’s use and occupancy of the Property.

7.5 Lessee shall not pledge or attempt to pledge or grant or attempt to grant, as collateral or security, Lessee's interest in any portion of the Property; Lessee agrees that Lessee shall keep the Property and the demised premises free and clear from any and all liens for labor performed and for materials furnished to the Property and the demised premises.

7.6 Lessee has inspected the Property and accepts the lease of the Property in its present location and condition. Lessee agrees that the condition of the Property is sufficient for the purposes of Lessee. Lessee understands and agrees that the City makes no warranties, promises or representations that the Property is sufficient for the purposes of Lessee.

7.7 Lessee agrees that Lessee shall, at Lessee's sole cost and expense:

(a) install, maintain and repair all fences and gates in a manner that will contain livestock and improve the appearance of the Property. Lessee may install locks on all gates, provided, however, that Lessee shall provide the City with lock combinations and/or copies of keys to all locks installed by Lessee.

(b) maintain the Property and keep the Property and all improvements and buildings thereon in a clean, safe and healthy condition and in compliance with all applicable codes, ordinances, regulations, rules and orders. This provision pertains to, but is not limited to, fixtures, roofing, plumbing, heating and ventilation systems, wiring, glass, wells and well systems, cisterns and cistern systems, pumps and pump systems, septic tanks and septic tank systems.

(c) purchase and maintain in effect suitable "Farmowner's Comprehensive" general liability and hazard insurance which will protect the City, its officers, employees and agents and assets of the City from liability in the event of loss of life, personal injury, or property damage suffered by any person or persons on, about or using the Property, including Lessee. Such insurance policy(ies) shall have terms and amounts approved by the City's Risk Manager. Such insurance shall not be cancelable without thirty (30) days prior written notice to the City and shall be written for at least a minimum of \$500,000.000, combined single limit. The certificate of insurance must be deposited with the City and must designate "the City of Grand Junction, its officers, employees and agents" as additional insureds. If a policy approved by the Risk Manager is not at all times in full force and effect, this Lease shall automatically terminate.

8. Water and Water Rights.

8.1 The City intends to permit Lessee to use water and water rights owned by the City, without additional remuneration by Lessee, for purposes specifically limited to irrigating the Property and as stock water for livestock kept and maintained on the Property.

Water and water rights which may be made available for Lessee's under the strict provisions of this Agreement include:

(a) approximately 400 acre feet of water from the Highline Ditch. This water is usually available from May 1 through June 28 of each year. Available flow rate ranges between 0.1 cubic feet per second ("cfs") and 7.0 cfs.

(b) approximately 1200 acre feet of water from Juniata Enlarged Ditch. This water is usually available from May 1 through June 15 of each year. Available flow rate ranges between 0.1 cfs to 26.0 cfs.

(c) approximately 200 acre feet of reservoir water. This water is usually available from July 1 through October 15 of each year.

Notwithstanding the foregoing, the City retains the right to possess, control, sell, exchange, divert and convert water and water rights owned by the City for any purpose which the City deems, in its sole discretion, to be appropriate, even if such action by the City is adverse to the needs and uses of Lessee. In the event the City exercises its rights as hereinbefore described, the parties may renegotiate the terms and conditions of this Lease.

8.2 The City agrees to provide written notice to Lessee, on or before May 1 of each lease year, stating the amount(s) of water, if any, expressed in terms of cfs or acre feet, which may be available for use by Lessee under the strict provisions of this Agreement. Other such notifications from the City may be given to Lessee at irregular intervals during each lease year.

9. Lessee's Use of City's Water and Water Rights.

9.1 (a) Lessee agrees to utilize all water made available by the City to Lessee in a prudent and careful manner to obtain the most efficient use of said water for purposes strictly limited to irrigating the Property and as stock water for livestock kept and maintained on the Property. Lessee agrees to comply with all rules, regulations and valid administrative orders applicable to any and all water and water rights which may be provided to Lessee under this Agreement.

(b) Lessee agrees to represent the City's water and water rights interests by actively participating in meetings with all appropriate ditch and reservoir companies and that all statements and representations of Lessee under the capacity of representing the City shall serve to promote the interests of the City with the utmost good faith, loyalty and fidelity.

9.2 (a) Lessee agrees that Lessee shall be solely responsible for diverting and transporting any water made available to Lessee from its point of release to its point of use. Lessee agrees to exercise proper diligence to ensure that any and all water made available to Lessee pursuant to this Agreement is properly diverted and utilized to its fullest

extent on and solely for the benefit of the Property and Lessee's operations thereon; Lessee agrees that Lessee shall be responsible for ensuring that any and all water made available to Lessee is transported through clean irrigation ditches of adequate size from the point of release to the point of use.

(b) Lessee shall record the dates of irrigation and the number of acres on which water is applied to adequately provide for the development of historic consumptive use records. Lessee shall be responsible for measuring and recording water flow information at all weirs, flumes and other measuring devices, either now in place or installed in the future, and the amount of water being delivered to the property during the irrigating season. Lessee shall further be responsible for measuring, estimating and recording the return flow from irrigated fields while under irrigation.

10. Cultivation.

10.1 Lessee agrees that Lessee shall, at Lessee's sole cost and expense, provide the labor, capital, machinery, seed and fertilizer necessary to improve crop production on the Property through the rehabilitation of existing fields and the cultivation of additional fields to bring the Property up to its historic level of cultivation.

10.2 Lessee's cultivation practices shall be carried out in a good and husbandlike manner in accordance with the best methods of cultivation practiced in the County of Mesa, State of Colorado. Lessee further agrees to cooperate and comply with all farm crop programs promulgated by the United States Department of Agriculture and the State of Colorado Farm Bureau.

10.3 Lessee shall be entitled to and responsible for all proceeds, debts and losses incurred and associated with all crops grown on the Property.

11. Livestock Management.

11.1 Lessee represents that Lessee presently owns sixty (60) purebred Limousine cows and heifers and three (3) Limousine herd bulls ("Lessee's Livestock"), and that Lessee intends to raise and care for Lessee's Livestock on the Property. Lessee agrees that Lessee's operations and conduct relating to raising and caring for Lessee's Livestock shall be carried out in the highest standard of care and in a manner that will not over graze the Property or otherwise cause deterioration to or destruction of the Property. Lessee further agrees to comply with the regulations of the United States Department of Agriculture, Livestock laws and regulations of the State of Colorado, and any and all federal, state, county and municipal laws, ordinances and regulations which are applicable to the area in which the Property is located.

11.2 Lessee represents that Lessee's Livestock carry the "Bar Over 2" (2) brand ("Lessee's Brand"). Lessee agrees that livestock not carrying Lessee's Brand shall not be permitted on the Property without the prior written approval of the City.

12. Use of Chemicals on the Property. Lessee shall apply no chemicals, including, but not limited to, fertilizers, herbicides and pesticides at any place upon the Property without the prior written consent of the City. Lessee shall at all times keep the City advised of chemicals used and/or stored on the Property, and shall further comply with all applicable rules, laws, regulations and orders, either now in force or hereafter enacted, regulating the storage, use, application, transportation and disposal of any such chemicals.

13. Hazardous Substances. The term “Hazardous Substances”, as used in this Lease Agreement, shall mean any substance which is: defined as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law enacted by any federal, state and local governmental agency or other governmental authority; a petroleum hydrocarbon, including, but not limited to, crude oil or any fraction thereof; hazardous, toxic or reproductive toxicant; regulated pursuant to any law; any pesticide or herbicide regulated under state or federal law. The term “Environmental Law”, as used in this Lease Agreement, shall mean each and every federal, state and local law, statute, ordinance, regulation, rule, judicial or administrative order or decree, permit, license, approval, authorization or similar requirement of each and every federal state and local governmental agency or other governmental authority, pertaining to the protection of human health and safety of the environment, either now in force or hereafter enacted.

13.1 Lessee shall not cause or permit to occur by Lessee and/or Lessee’s agents, guests, invitees, contractors, licensees or employees:

(a) any violation of any Environmental Law on, under or about the Property or arising from Lessee’s use and occupancy of the Property, including, but not limited to, air, soil and groundwater conditions; or

(b) the use, generation, release, manufacture, refining, production, processing, storage or disposal of any Hazardous Substance on, under or about the Property, or the transportation to or from the Property of any Hazardous Substance in violation of any federal state or local law, ordinance or regulation either now in force or hereafter enacted.

14. Environmental Clean-Up.

14.1 The following provisions shall be applicable to Lessee and to Lessee’s agents, guests, invitees, contractors, licensees and employees:

(a) Lessee shall, at Lessee’s sole cost and expense, comply with all Environmental Laws and laws regulating the use, generation, storage, transportation or disposal of Hazardous Substances;

(b) Lessee shall, at Lessee’s sole cost and expense, make all submissions to provide all information required by and/or to comply with all requirements of all

governmental authorities (“the Authorities”) under Environmental Laws and other applicable laws.

(c) Should any Authority or the City demand that a clean-up plan be prepared and that a clean-up plan be undertaken because of any deposit, spill, discharge or other release of Hazardous Substances on, under or about the Property, Lessee shall, at Lessee’s sole cost and expense, prepare and submit the required plan(s) and all related bonds and other financial assurances, and Lessee shall carry out all such clean-up plan(s) in compliance with the Authorities and all Environmental Laws and other applicable laws.

(d) Lessee shall promptly provide all information regarding the use, generation, storage, transportation or disposal of Hazardous Substances requested by any Authority. If Lessee fails to fulfill any duty imposed hereunder within a reasonable time, the City may do so on Lessee’s behalf and, in such case, Lessee shall cooperate with the City in the preparation of all documents the City or any Authority deems necessary or appropriate to determine the applicability of Environmental Laws to the Property and Lessee’s use thereof, and for compliance therewith, and Lessee shall execute all documents promptly upon the City’s request. No such action by the City and no attempt made by the City to mitigate damages under any Environmental Law or other applicable law shall constitute a waiver of any of Lessee’s obligations hereunder.

(e) Lessee’s obligations and liabilities hereunder shall survive the expiration or termination of this Lease Agreement.

14.2 Lessee shall indemnify, defend and hold the City, its officers, employees and agents harmless from all fines, suits, procedures, claims and actions of every kind, and all costs associated therewith (including the costs and fees of attorneys, consultants and experts) arising out of or in any way connected with any deposit, spill, discharge or other release of Hazardous Substances and the violation of any Environmental Law and other applicable law by Lessee and/or Lessee’s agents, guests, invitees, contractors, licensees and employees that occur during the term of this Lease or any extension thereof, or from Lessee’s failure to provide all information, make all submissions, and take all actions required by all Authorities under the Environmental Laws and other applicable laws. Lessee’s obligations and liabilities hereunder shall survive the expiration or termination of this Lease Agreement.

15. Damage(s) to or Deterioration of the Property. If the Property or the demised premises are damaged to fire, flood or other casualty, or if the Property is damaged or deteriorates to the extent where it is no longer functional for the Purposes of Lessee, the City shall have no obligation to repair the Property nor to otherwise make the Property usable or occupiable; damages shall be at Lessee’s own risk, provided, however, that in the event the Property is damaged or deteriorates to the extent where it is no longer functional for the purposes of Lessee, Lessee may, at Lessee’s option, terminate this Lease by giving notice to the City that this Lease is to be terminated; provided, however that the parties reserve the right to renegotiate the terms and conditions of this Lease. In the event

renegotiated terms and conditions cannot be reached between the parties, termination shall be effective thirty (30) days following the date of Lessee's notice of termination.

16. Default - Termination - Sublet - Assignment.

16.1 Should Lessee (1) default in Lessee's performance of Lessee's agreements or obligations hereunder and any such violation continue for a period of thirty (30) days after written notice thereof is given to Lessee by the City; (2) abandon or vacate the Property for a period of thirty (30) consecutive days; (3) be declared bankrupt, insolvent, make an assignment for the benefit of creditors, or if a receiver is appointed; or (4) suffer death or personal injury which would prevent Lessee from carrying out Lessee's obligations under this Agreement, the City may, at the City's option, 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 City may remove the property of Lessee and store the property in a warehouse or at a place selected by the City, at the expense of Lessee and without liability to the City. Upon termination of this Lease, Lessee shall remove all personal property and Lessee's Livestock from the property and demised premises within 30 days from the date of termination. If Lessee fails to remove Lessee's personal property and livestock within the time prescribed, the City shall not be responsible for the care and safekeeping thereof and may remove the same and store the same in a reasonable manner, the cost, expense and risk of which shall be Lessee's. Lessee hereby agrees that items not timely removed may be sold by the City to cover expenses with net proceeds after expenses paid to Lessee. The City may also set off amounts owed under this Lease against proceeds of said sale. Any such reentry by the City shall not work a forfeiture of nor shall it terminate the rent(s) to be paid or the covenants and agreements to be performed by Lessee for the full term of this Lease. Upon such reentry, the City may thereafter lease or sublease the Property for such rent as the City may reasonably obtain, crediting Lessee with the rent so obtained after deducting the costs(s) 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 the City may have against Lessee, including, but not limited to, the right of the City to obtain injunctive relief based on the irreparable harm caused to the City's reversionary rights.

16.2 Except as otherwise provided for (automatic and immediate termination), if Lessee is in default in the performance of any term or condition of this Lease Agreement, the City may, at its option, terminate this Lease upon giving thirty (30) days written notice. If Lessee fails within any such thirty (30) day period to remedy each and every default specified in the City's notice to Lessee, this Lease shall terminate. If Lessee remedies such default, Lessee shall not thereafter have the right of thirty (30) days to remedy with respect to the same default, but rather, Lessee's rights shall, with respect to a subsequent similar default, terminate upon the giving of notice by the City to Lessee.

16.3 Lessee shall not assign or sublease the Property, or any right or privilege connected therewith, or allow any other person, except officers, employees and agents of the City, to occupy the Property or any part thereof without first obtaining the prior written consent of the City. In the event of an assignment of this Lease or a sublease, Lessee shall not be released from Lessee's obligations and duties under this Agreement and this Lease between the City and Lessee shall remain in full force and effect. Any consent by the City to an assignment of this Lease or a sublease shall not be a consent to a subsequent assignment, sublease or occupation of the Property by any other party. Any unauthorized assignment, sublease or permission to occupy the Property by Lessee shall be void and shall, at the option of the City, provide grounds for the City to terminate this Lease.

16.4 This Lease is not intended to and shall in no way preclude the City from actively marketing the Property for sale or exchange, whether through the efforts of the City, a real estate broker or any other person; nor shall this Lease prevent the City from selling, exchanging or conveying the Property to any other party. In the event of any voluntary or involuntary transfer of the City's interest(s) in the Property, or any part thereof, Lessee will attorn to any transferee of, or successor to, the City's interest(s) in the Property, and recognize such transferee or successor as Lessor under this Agreement.

17. Improvements. Unless otherwise agreed to by the parties in writing, all improvements placed upon, under or about the Property or attached to the Property by Lessee shall be and become part of the Property and shall be the sole and separate property of the City upon the expiration or termination of this Lease.

18. Not a Partnership. It is expressly agreed between the parties hereto that this Agreement is one of lease and not of partnership and that the City shall not be or become responsible for any debts contracted or incurred by Lessee. Lessee shall save, indemnify and hold the City, its officers, employees and agents harmless against all liability or loss, and against all claims or actions based upon or arising out of any claim, lien, damage or injury (including death), to persons or property caused by Lessee or sustained in connection with Lessee's performance of the terms and conditions of this Agreement or the conditions created thereby, or based upon any violation of any statute, ordinance, code or regulation, and the defense of any such claims or actions, including the cost(s) and fee(s) of attorneys, consultants and experts. Lessee shall also save, indemnify and hold the City, its officers, employees and agents harmless from and against all liability and loss in connection with, and shall assume full responsibility for the payment of, all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security and income tax laws with respect to employees engaged by Lessee.

19. Right of Entry. During the term of this Lease, Lessee shall have the exclusive right of entry for ingress and egress to and from the Property; provided, however, the City retains the right for its officers, employees and agents to enter upon the Property at any time and for any purpose that is not inconsistent with Lessee's rights hereunder.

20. Notices.

20.1 All rental payments paid by Lessee to the City shall be delivered, either by mail or by personal deliver to:

City of Grand Junction Finance Department
Accounts Receivable
250 North 5th Street
Grand Junction, Colorado 81501-2668

All rental payments deposited by Lessee shall be clearly marked "Hallenbeck Ranch Lease Payment".

20.2 All other notices and communications required hereunder shall be in writing and shall be delivered to the parties hereto, either by facsimile transmission, personally by hand, courier service, United States mail or Express mail, or by first class mail, postage prepaid, as follows:

To the City: Tim Woodmansee, Property Agent
City of Grand Junction
250 North 5th Street
Grand Junction, CO 81501-2668
Tel: (970) 244-1565
Fax: (970) 244-1599

To Lessee: Bonnie Siminoe
8700 Reeder Mesa Road
Whitewater, CO 81527
Tel: (970) 242-5299
Fax:

All notices shall be deemed given: (a) if sent by mail, when deposited in the mail; (b) if delivered by hand or courier service, when delivered; or (c) if transmitted by facsimile, when transmitted. The parties may, by notice as provided above, designate a different address to which notice shall be given.

21. Enforcement - Partial Invalidity - Governing Law.

21.1 In the event the City uses its City Attorney or engages an attorney to enforce the City's rights hereunder, Lessee agrees to pay for the value or cost(s) of such attorney fees, plus the cost(s) or fee(s) of any expert(s). In the event a court of competent jurisdiction deems such previous sentence to be unenforceable, then the parties agree that each party shall pay for such party's own attorney fees.

21.2 The invalidity of any portion of this Lease Agreement shall not and shall not be deemed to affect the validity of any other provision. In the event any provision of this

Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provisions.

21.3 This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Venue for any action to enforce any covenant or agreement contained in this Agreement shall be in Mesa County, Colorado.

22. Surrender - Holding Over. Lessee shall, after the last day of the basic term of this Lease or any extension thereof or upon earlier termination of this Lease, surrender to the City the Property in good order, condition and state of repair, reasonable wear and use excepted. Should Lessee fail, for whatever reason, to vacate the Property at the end or when this lease is terminated, Lessee agrees to pay to the City the sum of One Hundred Dollars (\$100.00) per day for each and every day thereafter until Lessee has effectively vacated the Property. The parties agree that it would be difficult to establish the actual damages to the City in such event and that said \$100.00 is an appropriate liquidated damages amount.

23. Inurement. The provisions of this Lease Agreement shall not inure to the benefit of the heirs, successors and assigns of the parties hereto.

24. Paragraph Headings. The titles to the paragraphs and sections of this Lease Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify or aid in the interpretation of the provisions of this Agreement.

25. Fees or Commissions. The parties to this Lease Agreement warrant that no person or selling agency has been employed or retained to solicit or secure this Lease upon any agreement or understanding for a commission, percentage, brokerage or contingent fee. The City and Lessee each agree to defend, indemnify and hold the other harmless from any claim for real estate brokerage commissions or finder's fees asserted by any other party claiming to be entitled to brokerage commissions or finder's fees arising out of this Lease Agreement.

26. Annual Review. On or before November 1 of each year, the terms and conditions of this Agreement and the attached Operation Plan shall be reviewed by the City and Lessee. Unless changed or modified by an amendment of mutual written agreement, the terms and conditions of this Lease Agreement shall remain unchanged.

27. Entire Agreement. This Lease Agreement contains the entire agreement between the parties and cannot be changed, modified or terminated except by a written instrument subsequently executed by the parties hereto.

The parties hereto have hereunto executed this Lease Agreement as of the day and year first above written.

Attest:

The City of Grand Junction, a
Colorado home rule municipality

City Clerk

City Manager

Lessee:

Bonnie Louise Siminoe

Exhibit "A"

Description of "the Property"

Township 2 South, Range 2 East of the Ute Meridian:

Section 25: The SE1/4 of the SW1/4,
 The NW1/4 of the SE1/4,
 All that part of the N1/2 of the SW1/4, the SE1/4 of the NW1/4,
the S1/2 of the NE1/4, and the NE1/4 of the NE1/4 lying Southerly and Easterly
 of Lands End Road.

Section 35: The SE1/4 of the NE1/4, excluding the North 100 feet thereof;

Township 12 South, Range 98 West, 6th Principal Meridian:

Commencing at the SW Corner of Section 36, thence East along the South line of said Section 36 a distance of 660.00 feet to the True Point of Beginning, said point being the Southwest corner of that tract of land conveyed by instrument recorded in Book 1145, Page 824 in the office of the Mesa County Clerk and Recorder; thence S 89°55'31" E a distance of 3314.31 feet, more or less; thence N 00°59'04" E along a strand barbwire fence a distance of 529.82 feet, more or less, to an existing fence corner; thence N 84°34'44" W along said fence line a distance of 906.87 feet; thence continuing along said fence line, S 01°51'29" E a distance of 80.46 feet, more or less, to an existing fence corner; thence S 88°57'38" W along said fence line a distance of 412.29 feet; thence continuing along said fence line, S 89°28'22" W a distance of 916.30 feet, more or less, to an existing fence corner; thence N 50°54'21" W along said fence line a distance of 850.80 feet, more or less, to an existing fence corner; thence S 00°04'01" W along said fence line a distance of 1009.63 feet, more or less, to the True Point of Beginning.

All in the County of Mesa, State of Colorado.

Exhibit "B"

8700 Reeder Mesa Road
Whitewater, CO 81507
November 15, 1996

Mr. Tim Woodmansee, Property Agent
City of Grand Junction
250 North Fifth Street
Grand Junction, CO 81501

Attention: Mr. Greg Trainor
Mr. Jim Shanks
Mr. Tim Woodmansee

Gentlemen:

The attached proposal is in response to the Request for Proposal issued by the City of Grand Junction on October 15, 1996, regarding a lease on the Hallenbeck Ranch. I attended the property tour conducted by the City on October 24, 1996, and have based my proposal on my examination of the property and on information included in the RFP.

I am interested in leasing the subject property on a five-year renewable lease for the purpose of operating a working cattle ranch. I currently run over 60 head of purebred cattle and have over 20 years experience as an independent cattle rancher.

In the attached proposal, I have outlined the land management program that I feel is needed to restore the Hallenbeck property to a productive level. I have included a number of attachments to the proposal to provide additional information and support for my capacity to implement the proposed program.

Thank you for your consideration of my proposal and for your time in reviewing it. I would be happy to provide additional information or clarification of any parts of my proposal, if needed. I can be reached at 242-5299, daytime or evenings.

Sincerely,

Exhibit "B"

LEASE PROPOSAL FOR THE HALLENBECK RANCH

Submitted by
Bonnie Siminoe
8700 Reeder Mesa Road
Whitewater, CO 81527
242-5299

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Attachment B: Proof of Liability Insurance Eligibility	15
Attachment C: Statement of Equipment Resources	16
Attachment D: Personal Financial Statement	17
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Introduction

The following proposal has been submitted by Bonnie Siminoe in response to the Request for Proposal issued by the City of Grand Junction on October 15, 1996, regarding a lease on the Hallenbeck Ranch. My interest in leasing the Hallenbeck property is for agricultural purposes; specifically, to operate a working cattle ranch.

I plan to live on the property as soon as the residence can be made habitable and work full-time on the ranch caring for the property and my cattle herd. My intent is to restore the productive capacity of the property through careful land management and responsible stewardship of its resources.

I currently run a herd of over 60 purebred cattle that I transport 153 miles between spring and winter pastures. A single location that could pasture my cattle year-round has obvious appeal to me. The Hallenbeck Ranch property is especially desirable to me in that I was raised on a ranch only a few miles from the property and know the area well.

For the past twenty-plus years, I have raised cattle and been an owner-operator of two ranches. My experience in all aspects of ranching began on my parents' ranch on Purdy Mesa. My parents, Lawrence and Esther Mash, bought their ranch in 1945; my sister and her husband, Judy and Cliff Davis, currently operate the Broken Spoke Ranch on Whitewater Creek. I have lived on a ranch on Reeder Mesa for the past three years, just a few miles from the Hallenbeck property. During that time, I have established many friendships and cooperative support arrangements with the neighboring ranchers. Two of my children and their families, who live in this area, have also been active in my ranch operation.

The Hallenbeck Ranch that I knew as a youngster was a well-run and well-maintained property. Over the years, it has fallen into disrepair from neglect and vandalism. The house on the property, that was once valued by the Mesa County Assessor's Office at \$46,870, has not been kept in good repair for many years and has been empty for almost a year now. Since it was vacated, the house has been vandalized and, as a consequence, is no longer habitable. Although the building and the foundation are still structurally sound, extensive repairs will be needed to recover the value of the

crowded out by overgrowths of noxious weeds, sagebrush, and sprawling clumps of Russian olive trees. Boundary fences and cross fences are down in places, only single strands of barbed wire maintain the fence line in others, and heavy brush growth along some roadside fences give the appearance of the property being abandoned. I have included an assortment of photographs with my proposal packet to give an overview of the general condition of the ranch property and to illustrate the improvements needed.

I have also included a number of attachments to the proposal to provide information that will assist the proposal reviewers in evaluating my capacity to carry out the improvements and the land management program I have proposed. Specifically, I have addressed my skills and experience in ranch management, the resources I have at my disposal to implement my proposal, and my reputation as a reliable and ethical individual. The relevant attachments are as follows.

- Attachment A: Personal References and Recommendations
- Attachment B: Proof of Liability Insurance Eligibility
- Attachment C: Statement of Equipment Resources
- Attachment D: Personal Financial Statement

Performance Objectives

Overview of Objectives

My primary objective in leasing the Hallenbeck property is to operate a profitable agricultural business using the land for grazing my cattle and utilizing the residential structure as my home. I am also committed to being a good steward of the land and a responsible member of my ranching community. To be successful long term, I recognize the need for sound land management practices and continuous, timely attention to keep the property in good condition. The following list of objectives represents the areas where I intend to focus my time and energies to improve and maintain the property, for both my benefit and the City of Grand Junction's.

- Objective #1: Establish and maintain grass/alfalfa pastures, eliminating noxious weeds and Russian olive trees.
- Objective #2: Repair and maintain fences and gates in new or near-new condition.
- Objective #3: Clean fence lines obstructed by brush and trees.
- Objective #4: Clear and enlarge irrigation ditches to permit flow of decreed water rights.
- Objective #5: Record water use for each pasture, documenting amounts and length of application.
- Objective #6: Manage irrigation water to maximize the use of return flows to all pastures on the ranch.
- Objective #7: Represent the City's interests by participating actively in meetings with the Juniata and Highline Ditch Companies.
- Objective #8: Restore the residential structure on the ranch to a habitable condition, adding to the value of the Hallenbeck Ranch property.
- Objective #9: Maintain a residential presence on the ranch to protect the ranch from further vandalism damage and to permit continuous improvement of the property.
- Objective #10: Develop a land management program that nurtures the agricultural and aesthetic resources of the ranch to maintain and appreciate its value.

Performance Plan for Objective #1

Establish and maintain grass/alfalfa pastures, eliminating noxious weeds and Russian olive trees.

The overgrowth of Russian olive trees, sagebrush, Russian knapweed, and other weeds in pastures that formerly supported grasses occurred as a result of poor irrigation practices, overgrazing, and failure to control the spread of plants that crowd out the grasses. Maintaining pasture land that has been well cared for is much easier than reclaiming it from noxious weeds, dense bushes with thorns capable of puncturing tractor tires, and barren, dry stretches that grow only tap-rooted weeds that do little to anchor the top soil and improve the tilth of the soil.

My first priority would be to establish proper irrigation practices on the land. To accomplish this, I will need to clean and enlarge existing ditches and add new ditches to allow even water coverage of pasture land. With adequate irrigation, existing grasses in areas that are not severely damaged should be able to crowd out many types of weeds.

Preventing overgrazing is another key factor in sustaining the vitality and recovery rate of the pasture grasses. By living on the property and carefully monitoring the condition of the grasses, I can assure a continuing improvement in the quality of the pastures. Rotational grazing practices (moving the cattle from pasture to pasture) will also promote rejuvenation of the grass. After the cattle are moved off a pasture, the manure deposits are harrowed to replenish soil nutrients. The grass is then irrigated and the pasture is left to rest.

Controlling the spread of weeds and other competing plants is the third important aspect of maintaining good pasture land. Removal of existing, well-established weeds can be accomplished through mechanical means (by cutting or digging them out), through preventing them from reseeding (by mowing or grazing before the seeds ripen), and through chemical application (by using herbicides). Spraying a weed-ridden field with herbicide or plowing it up may be an effective quick solution to weed eradication, but it damages the top soil and infuses the land with chemicals. Holistic land management practices, which rely on nurturing of desirable plants and limited, selective use of herbicides, have been shown to have better long-term results.

I have consulted with Wayne Cooley, TriRiver Area Extension Agent, who has researched and published extensively on perennial and biennial weed control. He has offered to work

with me in determining an effective, highly targeted herbicide control program to minimize undesirable side

Hallenbeck Lease
Siminoe Proposal
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effects on the land. I have included information in Attachment E describing briefly the specific herbicide treatments he recommends for eliminating Russian olive trees and Russian knapweed.

Performance Plan for Objective #2

Repair and maintain fences and gates in new or near-new condition.

Fence repair is one of my highest priority objectives because the success of my ranching operation depends upon good fences. Protecting my cattle from loss, injury, or breeding by non-purebred stock requires that I regularly inspect and repair fence lines.

Initially, I estimate I will need to invest about \$1,250 in barbed wire and staples and another \$110 in replacement fence posts to replace boundary fences that are down, add additional wire to cross-fences that are single-wire, and fix other fences in poor repair.

Performance Plan for Objective #3

Clean fence lines obstructed by brush and trees.

Fences lines that are overgrown with Russian olive trees and brush cannot be maintained in good repair. I plan to immediately begin clearing the fence lines of the dense growths of vegetation that impede access to the fence.

Heavily overgrown fence lines also give the property a poorly maintained appearance that invites trespassing, property damage, and complaints from neighboring ranchers who keep their property well-maintained. I am sensitive to the fact that it would reflect poorly on me and on the City for the Hallenbeck property to remain in its current poorly cared for state.

Performance Plan for Objective #4

Clear and enlarge irrigation ditches to permit flow of decreed water rights.

Adequate irrigation is essential to recover the productive capability of the land. I will need to clean out the debris and brush in many of the ditches to permit the flow of water

levels needed; other ditches will have to be enlarged. One of my primary responsibilities as the lease-holder on the Hallenbeck property, in my view, is to protect the City's
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water rights by fully utilizing the decreed amounts. Obviously, it is also in my best interest to keep the pastures adequately watered to provide nourishment for my cattle.

Performance Plan for Objective #5

Record water use for each pasture, documenting amounts and length of application.

Part of my responsibility as a lease-holder is to accurately document and report my usage of irrigation water on the property to City representatives. My usage records will detail the utilization of irrigation water by date, pasture location, amount of water, length of application, and routing of runoff water.

Performance Plan for Objective #6

Manage irrigation water to maximize the use of return flows to all pastures on the ranch.

With some additional ditching work, my irrigation flows will be routed to utilize runoff water from each pasture to the adjacent pasture areas. My intent is to reduce the amount of waste water to an absolute minimum.

Performance Plan for Objective #7

Represent the City's interests by participating actively in meetings with the Juniata and Highline Ditch Companies.

I will attend water users' meetings of the Juniata Ditch Company and the Highline Ditch Company, as needed, to represent and protect the interests of the City of Grand Junction. Further, I will maintain contact with the presiding member of the Board to fully represent the City's policy at these meetings.

Performance Plan for Objective #8

Restore the residential structure on the ranch to a habitable condition, adding to the value of the Hallenbeck Ranch property.

The house on the property is no longer habitable because of neglect and damage from vandals and animals, but is not yet a total loss. Within a relatively short period of time, however, increasing amounts of water damage from holes in the roof and damage from animals who use the building for shelter will tip the scale from a recoverable asset to one that must be destroyed. In its current state, the residence may well pose a liability risk for the City. A weakened area in the top of the 2,000-gallon cistern that is about 20 feet from the kitchen door has already caved in, leaving a 12-inch hole in the ten-foot deep, water-filled cistern. The hole has been covered by a can lid and a spare tire, but other weakened areas may exist.

Broken window panes and an open doorway allow easy access into the house for curious children, teenage drinking parties, and other trespassers. It is an attractive nuisance that could be reclaimed as a valuable asset. It is hard to believe, looking at the house in its current state, that the assessed value of the house was over \$46,000. It is my intent, if I am awarded the lease, to immediately secure the property to prevent further damage to it and to eliminate latent hazards on the property. Repair and restoration efforts would follow, culminating in its being returned to a state that it is once again a comfortable, well-maintained residence.

Performance Plan for Objective #9

Maintain a residential presence on the ranch to protect the ranch from further vandalism damage and to permit continuous improvement of the property.

Vandals have already removed almost everything of value in the house. The condition of the house now makes it obvious that it is an abandoned, empty home)one that invites trespassers. Without a caretaker on the premises, improvements on the property cannot be protected and much of the needed, routine maintenance is neglected.

Similarly, careful attention to proper irrigation, monitoring of pasture condition, maintaining fences, and the hundreds of other chores that define a well-maintained property cannot be easily accomplished by someone who is not

living on the property and devoting full time to running the ranch. I plan to do exactly that: live on the property and devote full time to caring for my cattle and the property.

Performance Plan for Objective #10

Develop a land management program that nurtures the agricultural and aesthetic resources of the ranch to maintain and appreciate its value.

I take a great deal of pride in the quality of my herd, in the appearance and condition of my property, and in my love of the land. My intent in securing the lease on the Hallenbeck Ranch is not to use the property, but to make it my home. It has been abused in the past, sadly abused. I remember how beautiful and productive the ranch once was, and I will work to restore it to that condition.

Operations Plan

Lease Management

I will meet annually with City representatives and work cooperatively to review work on the lease and to discuss planned work for the upcoming year.

Intended use of property

Irrigated crop/pasture

Type: grass

Grazing use

AUMs: 198

Times of the year: Spring and Fall

Commercial use planned: None

Sublease use planned: None

Evidence of liability insurance

I have included as Attachment B, a letter from my insurance agent, Jo Anne Scalf, of Hallam-Loesch Insurance and Financial Services, stating that they will extend my Travelers Insurance Farm and Ranch Policy to provide \$500,000 in liability coverage, listing the City of Grand Junction as an additional insured.

Schedule for planned improvements

Removal of Russian olive trees:

Commencing with start of lease, continuing throughout the lease period.

Control of noxious weeds:

Starting Spring of 1997 and throughout the lease period.

Maintaining grass/alfalfa pastures:

At the beginning of the lease, as allowed by weather and frost, ditch repair and maintenance will be undertaken.

Fencing repair and improvements:

Commencing with start of lease and throughout the
lease.

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Siminoe Proposal
Page 10

Cleaning fence lines of brush and trees:
Beginning immediately after the lease is executed,
continuing throughout the lease period.

Financial Proposal

The previous five-year lease on the Hallenbeck Ranch property, for the period ending October 31, 1996, required a total of \$10,000 in lease payments to the City of Grand Junction. If the lease payments were scaled up for the next five-year period in a manner consistent with those used previously, the City should expect to receive about \$13,000 in lease payments. However, the neglect that the property has suffered in the past five years has resulted in an overgrowth of Russian olive trees, brush, and weeds, generally poor condition of the pastures, and the need for a lot of work on the fences and ditches. Much of the productive capacity of this property has been compromised, reducing its lease value.

My proposal for annual lease payments to the City on this property takes the current conditions into account. By the time the next five-year lease on this property is negotiated, the City should have regained full lease value on the property. My proposal also includes an estimate of improvement costs I will incur in repairing and renovating the house on the property. The sum of the annual lease payments and the improvements costs that I propose total more than \$13,000. Additionally, the City will have recovered a \$46,000 asset that will otherwise have to be written off as a loss and demolished.

Proposed annual lease payments		
Dec. 2, 1996 - Oct. 31, 1997		\$1,200
Nov. 1, 1997 - Oct. 31, 1998		\$1,200
Nov. 1, 1998 - Oct. 31, 1999		\$1,500
Nov. 1, 1999 - Oct. 31, 2000		\$1,700
Nov. 1, 2000 - Oct. 31, 2001		<u>\$2,000</u>
Total lease payments to the City over the 5 years		
		\$7,600

Amplification and qualifications

Lessee will also be responsible for the following additional annual costs and assessments
(Note: Costs listed are estimated. Actual costs for the listed items will be paid by lessee.)

Real estate taxes	\$1,600
\$500,000 in liability insurance	\$ 190
\$20,000 fire-loss house insurance	\$ 100
Residential utilities costs	\$2,500

Improvement costs for the house covered by lessee:

Breaker box and wiring	\$ 100
Propane heating stove (50,000 BTU)	\$ 800

Water cistern replacement	\$1,000
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	Siminoe Proposal
	Page 12

Water pump and pressure tank	\$ 650
Hot water heater	\$ 200
Roofing materials and labor	\$ 975
Kitchen cabinets and cupboards	\$ 500
Windows and siding repairs	\$ 25
Paint for interior walls	\$ 150
Replacement of floor coverings	<u>\$1,610</u>
Total	\$6,010

Other improvements that will be paid for by lessee:

Heavy equipment usage for removal of Russian olive trees, brush along fences, and for cleaning and enlarging ditches

Herbicide applications to treat stumps of Russian olive trees and some noxious weeds not controlled by holistic resource management methods

Equipment operating costs for cultivation

Repair and replacement of fencing posts, barbed wire, and staples, as needed

Irrigation supplies and materials

Conflict of Interest Statement

I have no interests in land, water, or other enterprise activities that could affect the City's interests with regard to the leasing and operation of the Hallenbeck Ranch. During the term of the Hallenbeck property lease, I will promptly notify the City of any interests I acquire or activities I undertake that might present a conflict in my representing and acting in the best interests of the City of Grand Junction.

Signed _____ Date _____
 Bonnie Siminoe

Attachment A

Personal References and Letters of Recommendation

Jim Camilletti (Letter attached)
3686 G-7/10 Road
Palisade, CO 81625
464-5046

John Carelli (Letter attached)
7250 Kannah Creek Road
Whitewater, CO 81527
242-0408

Bill McFarlan (Letter attached)
8251 Reeder Mesa Road
Whitewater, CO 81527
248-5451

Kenneth Osborn (Letter attached)
6567 County Road 41
Hamilton, CO 81638
(970) 824-9262

Ron & Mary Jane Mulnix (Letter attached)
3647 Front Street
Palisade, CO 81526
464-7098

Nina Brouse (Letter attached)
6800 Purdy Mesa Road
Whitewater, CO 81527
241-3842

John Lash (Letter attached)
5883 Purdy Mesa Road
Whitewater, CO 81527
248-9234

Don and Linda Cook (Letter attached)
1811 Purdy Mesa Road
Whitewater, CO 81527
241-3804

James Camilletti
3686 G and 7/10th Road
Palisade, Colo 81625
November 8, 1996

Tim Woodmansee, Property Agent
250 North 5th Street
Grand Junction, Co 81501

Dear Mr. Woodmansee:

I have lived and ranched in Routt County for 50 years and am now retired.

My first business dealings with Bonnie Siminoe was back in 1983 when she purchased registered Limousin cattle from me. To this present time I have been closely associated with the breeding and care of her top quality registered purebred herd.

Bonnie has an excellent knowledge of cattle breeding and ranching operations. In my opinion she is more than qualified to lease and operate a ranching facility.

Sincerely,

James Camilletti

8251 Reeder Mesa Road
Whitewater, CO 81527
November 14, 1996

Dear Mr. Woodmansee:

I have know Bonnie Siminoe for the last three years as a ranching neighbor. I purchased 10 purebred Limousin cattle from Bonnie three years ago. Her knowledge of cattle ranching and land care has been a great benefit to me. I would highly recommend her for any ranching or ranch management position.

She laid the plans for my corrals, which when constructed have worked very well. She has also been instrumental in maximizing my small shares of water. We have ranched co-operatively for the last three years to the benefit of both of our cattle herds.

Our working relationship has included planning and repairing fencing on summer pasture, helping each other on emergency calving situations, branding, dehorning, vaccinating calves, and innoculating the mother cows. Since neither of us has a full-time outside job and the Hallenbeck ranch is close to my acreage, we can continue to aid each other in our ranching operations.

Sincerely,

William McFarlan

Attachment B

Proof of Liability Insurance Eligibility

Letter from Hallam-Loesch & Assoc. Insurance Co. (attached)

Attachment C

Statement of Equipment Resources

Equipment owned by Bonnie Siminoe

- 460 International tractor with front-end loader
- Massey-Ferguson tractor
- Ford 8N-size tractor
- Auxiliary tractor equipment
 - two hay fork lifts
 - blades
 - brush hog
 - pasture harrow
 - ditching equipment
 - post-hole digger
- 1989 Ford 4WD heavy-duty 3/4 ton pickup
- 16' goose-neck stock trailer
- Hay-hauling trailer
- 4-wheel ATV
- Chain saws
- Irrigation pump and pipe

Equipment available to Bonnie Siminoe on shared-access agreements with relatives and neighbors (See attached letters from Don Caddy and William McFarlan)

- Three D6 Caterpillar bulldozers
- Ditching equipment
- 250-lb. broadcast seeder
- Large-capacity herbicide spray applicator

11-5-1996

Don Caddy, Ouray County Commissioner
7 Whinnerah Ave.
Montrose, Colo. 81401
970-242-5626

To Whom It May Concern:

Bonnie Siminoe has access to equipment that I own. This consists of three D6 Caterpillar dozers and an International tractor with related farm equipment.

She is my cousin and is concerned with the removal of Russian Olive trees, when she may elect to use one of the dozers and I have ditching equipment that she may need.

Sincerely,

Don A. Caddy

Please use Doralynn Genova and Cathy Hall, Mesa County Commissioners, for references

Attachment D

Personal Financial Statement

Liquid assets:

\$ 4,500 in checking accounts
\$ 9,700 in savings accounts
\$57,000 in stock investments

Other assets:

3 Limousin herd bulls
60 Limousin cows and heifers

Total debts:

None except for revolving-credit accounts, paid off
monthly

Annual income and expenses:

1995 Income Tax Form 1040 (attached)

Credit rating

Credit Bureau Disclosure Authorization form (attached)

Attachment E

Weed Control Management Information

Proposed treatment for Russian olive trees: Crossbow herbicide

Proposed treatments for Russian knapweed:
holistic resource management control
limited applications of Curtail herbicide

Exhibit "C"

Operation Plan

The following Operation Plan is attached to and made a part of the foregoing Lease Agreement dated the 1st day of January, 1997, by and between the City of Grand Junction, a Colorado home rule municipality ("the City"), and Bonnie Louise Siminoe ("Lessee").

Lessee, during the first lease year of the foregoing Lease, agrees to pursue the following:

1. Restore the house on the Property to a habitable condition in conformance with applicable building codes and regulations. Specific improvements to be made by Lessee and estimated costs to be paid by Lessee as set forth in the foregoing "Lease Proposal for the Hallenbeck Ranch" are as follows:

<u>Description of Improvements</u>	<u>Estimated Costs</u>
Purchase & install breaker box and electrical wiring	\$ 100.00
Purchase & install 50,000 BTU propane heater stove	\$ 800.00
Purchase & install new water cistern	\$ 1,100.00
Purchase & install water pump & pressure tank	\$
650.00	
Purchase & install water heater	\$
200.00	
Purchase & install roofing materials	\$ 975.00
Purchase & install kitchen cabinets & cupboards	\$ 500.00
Repair windows and exterior siding	\$ 25.00
Paint interior walls	\$ 150.00
Replace floor coverings	\$
<u>1,610.00</u>	
Total Estimated Costs	\$ 6,110.00

2. Conduct major repair and/or replacement of the fence line(s) along the boundary of the Property that abuts Divide Road.