

**ORDINANCE 2021-05**

**AN ORDINANCE AUTHORIZING THE LEASE OF THE BILLBOARD LOCATED  
ADJACENT TO I-70 TO THE LOWER VALLEY HOSPITAL ASSOCIATION  
FOR A TWO-YEAR TERM**

**WHEREAS**, the City of Fruita is the owner of a Billboard located adjacent to I-70 at mile post 19.8 which operates under an Outdoor Advertising Permit from the Colorado Department of Transportation, and

**WHEREAS**, the Lower Valley Hospital Association (dba Family Health West) desires to lease the billboard from the City for a two-year term for the purpose of advertising their services in Fruita, and

**WHEREAS**, the City of Fruita is willing to lease the billboard subject to retaining the ability to display the City logo and advertise events and other items below the billboard, and

**WHEREAS**, pursuant to Section 2.11 of the Fruita City Charter, the Fruita City Council must, by ordinance, authorize the long-term lease or conveyance of real property of the City, and

**WHEREAS**, it is the intent of this ordinance to authorize the City Manager to execute the lease agreement attached as Exhibit A and enter into a two-year lease of the I-70 billboard to the Lower Valley Hospital Association.

**BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRUITA,  
COLORADO, AS FOLLOWS:**

**Section 1:** The City Manager is hereby authorized to execute the lease agreement, attached hereto as Exhibit A, for the I-70 Billboard to Lower Valley Hospital Association for a two-year term.

**PASSED AND ADOPTED BY THE FRUITA CITY COUNCIL  
ON THE 16TH DAY OF MARCH, 2021**

ATTEST:

City of Fruita

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Margaret Sell, City Clerk

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Joel Kincaid, Mayor

**ORDINANCE 2021-05 – EXHIBIT A  
BILLBOARD LEASE AGREEMENT**

City of Fruita (hereafter "Lessor") and the Lower Valley Hospital Association, a Colorado nonprofit corporation (hereafter "Lessee") (collectively referred to as "the Parties") hereby enter into this Billboard Lease Agreement (hereafter "Lease") under the following terms and conditions:

Lessor shall convey to Lessee use of a Billboard owned and operated by Lessor, located within Colorado Department of Transportation (hereafter "CDOT") Right of Way at approximate Interstate 70 mile marker 19.8. The use pertains to the East facing side only.

The Lessor agrees to lease Billboard to Lessee for the sole purpose of displaying services offered by Lessee. The Lessor retains the right to review proposed displays prior to installation and to access and use Billboard per the conditions contained herein.

The term of this Lease shall commence upon mutual execution and shall expire at midnight on **March 31, 2023**. Lessee will retain a renewal option until 30 days before the expiration date. At that time, the renewal option will be withdrawn and this Lease will automatically continue on a month-to-month basis at a rate of \$1,000 per month.

The Lessee is obligated to pay Lessor **\$24,000** for the rights conveyed under this lease. The amount will be paid in 2 lump sums of \$12,000 to be paid no later than **April 1, 2021** and **April 1, 2022**.

At Lessee's sole expense, Lessee shall arrange for production of the Billboard banner/display and coordinate its installation, and from time to time if necessary, access is granted to maintain the banner's integrity.

At Lessor's sole expense, Lessor shall be responsible for maintaining the structural integrity, lighting, and braces of the Billboard. Further, at Lessor's sole expense, Lessor shall maintain the land surrounding the Billboard which includes clearing of all debris to decrease fire danger and increase visibility. Upon mutual agreement, the Parties may, if necessary, jointly petition CDOT for permission to make changes to the Billboard's structure, such as increasing its dimensions, and landscaping surrounding it such as installing weed barrier and decorative rock with the purpose of keeping weed obstruction at a minimum and enhancing the look of the Billboard.

Lessor shall maintain liability insurance on the Billboard in such amounts as it deems appropriate.

Lessee warrants that all displays on Billboard do not infringe upon any trademark or copyright, State or federal. Lessee shall remain the owner of all displays placed on the Billboard with the exception of small information boards located below the main display. Lessee will continue Lessor shall have full right to use, display and maintain the small area at the bottom of the Billboard to promote City of Fruita events and activities as well as the Lessor's logo. Upon mutual agreement by the Parties, Lessee may use said area to display events sponsored by Lessee.

The Parties shall not have the right to sublease the Billboard during the rental term.

The Parties shall have the right to terminate Lease with 60 days' notice only after and not prior to completion of the first year of this lease. A prorated amount of monies paid by Lessee to Lessor shall be returned to Lessee within 30 days thereafter.

Upon termination of this lease, Lessee shall return the property to Lessor in substantially the same condition in which the Billboard was received by Lessee.

The below signers warrant they have the full right and authority to sign and execute the terms and conditions herein. This Lease constitutes the entire agreement between the Parties.

LESSEE:

\_\_\_\_\_  
Korrey Klein, President/CEO  
LOWER VALLEY HOSPITAL ASSOCIATION

\_\_\_\_\_  
Date

LESSOR:

\_\_\_\_\_  
Mike Bennett, City Manager  
CITY OF FRUITA

\_\_\_\_\_  
Date