



*Montezuma Valley Irrigation Company*

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January 25, 2024

To Whom It May Concern:

Montezuma Valley Irrigation Company will be accepting bids from February 1 to June 1, 2024, for the concession at Groundhog located at 41593 Road H, Cahone, Colorado. Bids will be reviewed on June 11 with plans to make an award in June or July 2024.

Attached are some of the lease requirements and maps of the lease area. A business plan will be required to bid. The term of the lease is ten years. With prior approval from the landlord, improvements may be made in place of some of the lease payment.

Sincerely,

Montezuma Valley Irrigation Board of Directors

## **Groundhog Concession Lease Requirements**

Montezuma Valley Irrigation Company is soliciting bids to lease the concession area at Groundhog Reservoir. Some of the requirements are stated below.

**ANS Inspections.** Certification by Colorado Parks and Wildlife (CPW) to do aquatic nuisance species inspections and logging.

**Insurance.** Tenant shall maintain public liability insurance insuring Landlord and Landlord's agents as their interest may appear, against all claims, demands, or actions for injury to or death in an amount of not less than one million dollars arising out of any one occurrence.

Tenant shall maintain in force a Fire and Hazard insurance policy on the recreation premises at all times during the term of this lease in the amount equal to the replacement costs of all improvements located therein. Landlord shall be the sole beneficiary pursuant to the provisions of said policy. Provided however, that Landlord will use up to 100% of said proceeds for the reconstruction or replacement of all damaged improvements or fixtures at Tenants option. Tenant shall maintain fire, extended coverage, vandalism and malicious mischief insurance and such other insurance as Tenant may deem prudent, covering all of Tenant's stock in trade, fixtures, furniture, furnishings, floor coverings, and equipment in the Recreation Premises.

**CPW lease requirements.** Permanent rights of ingress and egress for the public to enter upon said lands or parcels of land and water for recreational uses and purposes.

Permanent rights for DOW, now CPW, their agents and employees, to enter upon said described lands and waters to manage and control for public hunting, fishing, boating and other recreational purposes except MVIC is to have the exclusive and paramount right to determine, approve or construct any structures or facilities to be erected upon said lands adjacent to the reservoirs for any purposes and for conveniences of the public and recreational uses.

**Groundhog Boating restrictions set by MVIC Board May 2017.** Everything is required to be inspected. The gate will be locked otherwise. In addition, only simple boats, not over 18 feet long with a maximum 20 hp outboard motor will be allowed. For this year, concessionaire will be granted an exception for two pontoon boats as rentals which have to stay on the lake. These restrictions will be revisited yearly. Restrictions updated December 2017. Simple boats with maximum 30 horsepower no more than 18 feet long will be allowed. Concessionaire will still be allowed to have two pontoon boats.

**Leased Property.** Tenant agrees all improvements existing within the Recreation Premises are the property of the Landlord, as well as any additional improvements and fixtures incorporated into the Recreation Premises during the term of the lease. Tenant shall not remove improvements installed by Tenant from the Recreation Premises unless Landlord otherwise agrees in writing.

**Expenses and Taxes.** All costs, expenses, utilities and obligations over every kind or nature whatsoever, relating to the Recreation Premises, or any improvements thereon, which may arise or become due during the term of this lease, shall be paid by Tenant.

**Permitted Use of the Recreation Premises.** Tenant shall use the Recreation Premises exclusively for operation of a recreation concession, which may include a store, boat rentals, camping and RV sites, fishing and horseshoe tournaments, sublease of the Cabin Sites as provided by this lease, cabin rentals, dances, concerts, and additional activities by approval by Landlord in writing, provided such use conforms with applicable zoning regulations, Colorado law and Federal law.

**Landlord's Operation of Groundhog Reservoir.** Landlord provides no warranties, assurances or guarantees with regard to the filling or drainage of Groundhog Reservoir, and in making its decisions regarding such filling or drainage, and Landlord is under no obligation to take into consideration Tenant's business or concession operations.

**Condition of Premises and Representations.** Landlord makes no representations, or warranties as to the physical condition of the Recreation Premises, or the property, or their suitability for Tenant's intended use.

**Lease not assignable.** Tenant may not assign this lease or sublease the Recreation Premises, or any part thereof, without first obtaining the written consent of the Landlord, which may be withheld in its sole discretion.

*Sublease of Cabin Sites by Tenant.* There are 12 cabin sites within the Recreation Premises. The Cabin Sites along with all improvements and fixtures must be surrendered in good order, repair and condition to Landlord at the conclusion of the Lease.

**Tenant's Duty to Maintain and Repair.** Tenant will maintain, or cause to be maintained, the Recreation Premises and any buildings, structures, facilities, improvements and appurtenances erected on the Property, in a good state of repair, and in a good, clean, healthful and safe condition. Tenant will return the Recreation Premises to the Landlord at the expiration of the Term in as good order and repair as when Tenant took possession, loss by casualty and normal wear and tear excepted.

**Tenant Improvements.** If Tenant wishes to construct or install additional improvements within the Recreation Premises for the purposes allowed by the lease, Tenant must obtain the Landlord's authorization and approval prior to the commencement of any construction. Improvements or additional opportunities that would be considered include: Selling fuel or propane, Laundry facility, bigger store, Lease more cabins, water area from lake, upgrade RV dump, upgrade RV hook-ups. Landlord is willing to consider improvements in place of lease payment.

The term of the lease is ten years. A business plan is required for consideration.