



AGENDA ITEM 13
TOWN of MOUNTAIN VILLAGE
455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 729-2654

TO: Mountain Village Town Council
FROM: Jim Loebe, Transit & Recreation Director
DATE: March 13, 2025
RE: Consideration of a Sublease with The Weitz Company for a Portion of Lot R

Executive Summary: The Town leases a two-acre parcel from the Telluride Regional Airport Authority, currently used for long-term parking for residents and seasonal workers. The Weitz Company, the general contractor for the Four Seasons project, has requested to sublease a portion of Lot R for laydown, staging, and subcontractor parking. A sublease agreement has been drafted and is recommended for Council approval by the Parking Committee.

Overview

Staff is seeking Council approval for a sublease agreement with The Weitz Company for a portion of Lot R. The sublease is for a **three-year term beginning May 1, 2025**, and aligns with the Town’s existing agreement with the Telluride Regional Airport Authority, which permits such use.

Key Terms of the Sublease

- **Lessee:** The Weitz Company
- **Term:** Three years (5/1/25 – 4/30/28)
- **Location:** **0.80 acres** on the east end of Lot R (**approximately 1/3 of the total parkable area**)
- **Use:** Laydown yard, staging, and contractor parking
- **Monthly Rent:** **\$5,000**
- **Fencing Requirement:** The lessee is responsible for fencing off its designated area
- **Town Obligations:**
 - Snow removal on access roads and drive lanes within **24 hours** of a storm totaling **6 inches or more**

The original vision for Lot R was twofold: free up parking inventory in the Town’s public parking facilities by providing a long-term vehicle storage solution for seasonal employees and residents, and to accommodate laydown and remote parking for anticipated large-scale core-area developments. This proposed sublease aligns with that vision, providing community benefits while ensuring accessibility and operational efficiency. Staff, in conjunction with the parking committee, recommend approval of the Lot R sublease with The Weitz Company.

Proposed Motion

1. I move to approve the sublease between The Weitz Company and the Town of Mountain Village regarding laydown, staging, and parking at Lot R.

COMMERCIAL LEASE

THIS FULL-SERVICE GROSS LEASE (the “**Lease**”) is made effective March __, 2025 and is entered into by and between Landlord (as defined below) and Tenant (as defined below). In consideration of the payment of the Rent (as defined below) and the performance of the promises by Tenant set forth below, Landlord hereby leases to Tenant, and Tenant hereby accepts, a portion of the Premises (as defined below and demonstrated in Exhibit B), together with all rights associated therewith, including, but not limited to, all rights to use the improvements thereon, parking areas associated therewith, and all other areas and appurtenances thereunto, subject to the terms and provisions set forth in the Lease.

ARTICLE 1 PARTIES, PREMISES, AND DEFINED TERMS

- 1.1. **Landlord:** Town of Mountain Village (the “**Landlord**”).
- 1.2. **Tenant:** The Weitz Company, LLC (the “**Tenant**”).
- 1.3. **Guarantor:** Intentionally Omitted.
- 1.4. **Premises:** Landlord hereby leases and demises to Tenant a portion of (as demonstrated in Exhibit B) the following described property: Mountain Village Lot R – 1500 Last Dollar Road, Telluride, Colorado, consisting of .80 acres, more or less (the “**Premises**”). Depending on general parking demand outside of lease area, Landlord may, at its discretion, increase the size of the lease area if requested by tenant.
- 1.5. **Term:** The initial term (“**Lease Term**”) of the Lease shall be for three (3) years and commence on 5/1/2025 (“**Commencement Date**”) and terminate at 11:59pm on 5/1/2028 (“**Termination Date**”), unless sooner terminated pursuant to the terms hereof.
- 1.6. **Rent:** Tenant hereby covenants and agrees to pay Landlord on the 10th of each month the sum of Five Thousand Dollars (\$5,000.00) per month for the duration of the Term (the “**Rent**”). Payment shall be remitted to Landlord at Town of Mountain Village, attn: Accounts Receivable, 455 Mountain Village Blvd, Suite A, Mountain Village, CO 81435 (“**Payment Location**”). Rent includes property taxes related to the Premises.
- 1.7. **Intentionally Omitted.**
- 1.8. **Options:** Tenant shall have the option to extend the Lease Term, pursuant to the terms and conditions contained herein, provided Tenant is not in Default under the Lease. Tenant shall have the option to extend the Lease Term on a month-by-month basis for up to twelve (12) months (“**Extension Period**”). The term “**Lease Term**” shall include the initial Lease Term and the Extension Period, if exercised. If the Lease is extended for the Extension Period, during the extended Lease Term, all terms and provisions of the Lease shall apply and be in full force. Tenant may exercise the Extension Option by written notice to Landlord given thirty (30) days prior to the end of Lease Term.
- 1.9. **Intentionally Omitted.**
- 1.10. **Use:** The Premises currently consists of a parking lot and the property upon which the structures are located. The Premises shall be used and occupied for parking, trailer storage, and staging of materials. Tenant shall not, without the prior written consent of Landlord, permit the Premises to be used for any other purpose. Tenant may fill the north-east corner of the lease area for the purposes of increasing usable square footage of lease site. Fill area must be properly lifted, compacted and surface treated.
- 1.11. **Late Payments:** If Rent is received later than fourteen (14) days after the date when due, the parties agree that an administrative fee in the amount of one percent (1%) of the amount due shall be added to the total Rent due and payable for that month. If payment is received more than thirty (30) days after the date when due, interest

shall accrue on outstanding balances at an annual percentage rate of six percent (6%). The addition of such amounts and the collection thereof shall not operate to waive any other rights of Landlord for nonpayment of Rent or for any other reason.

ARTICLE 2

PREMISES

2.1. **Condition of the Premises; Representations:** Tenant is familiar with the physical condition of the Premises (currently a parking lot). The Premises are rented "AS-IS" and "WHERE-IS" in current condition.

2.2. **Inspection:** Tenant has conducted an inspection of the Premises prior to the time of possession.

2.3. **Use of Premises:** Tenant, in consideration of the leasing of the Premises, agrees as follows:

(a) **Use:** To use and occupy the Premises solely as and for the use specified in Section 1.10 of the Lease.

(b) **Signage:** Tenant shall be permitted to erect a sign or signs upon the Premises, provided that all signage is in compliance with size and other reasonable requirements of Landlord and as may be set forth by applicable ordinances and regulations including, but not limited to, sign and design ordinances.

(c) **Security:** Tenant shall install construction fence around storage and lay-down area to limit public access.

(d) **Legal Compliance:** Tenant and its employees, agents, licensees and invitees shall comply with and abide by all local, state, and federal laws, ordinances, and regulations in connection with the occupancy and use of the Premises.

(e) **Additional Prohibitions:** Neither Tenant nor its licensees, employees, agents, guests, or invitees shall act in any manner that would interfere with, or be a nuisance to adjacent property owners, or adjacent tenants, or that would interfere with those other parties' quiet enjoyment of their premises. Said prohibition includes, but is not limited to, loud noises, loud music, noxious or unpleasant odors, and disruptive behavior or actions.

(f) **Storage/Trash:** Tenant shall store all personal property entirely within the Premises. Tenant shall store all trash and refuse in adequate containers within the Premises, which Tenant shall maintain in an orderly and clean condition.

(g) **Hazardous Materials Prohibited:** Tenant shall not cause or permit any Hazardous Materials (as defined in Exhibit A) to be brought upon, kept or used in, or about the Premises by Tenant, its agents, employees, contractors, or invitees, except for types and quantities of such materials as are normally used in Tenant's business. Tenant intends to use the Premises for the storage of materials and other reasonably related construction uses, and Landlord acknowledges that such standard construction uses and materials shall not violate this provision; provided, any hazardous materials shall be stored and maintained in accordance with applicable law. Tenant shall store, use, and dispose of such materials in accordance with applicable laws, ordinances and regulations. If Tenant breaches the obligations stated in this Section, then Tenant shall indemnify, defend, and hold Landlord harmless from any and all resulting claims, judgments, damages, penalties, fines, costs, liabilities, or losses as provided in Section 8.1.

(h) **Quiet Enjoyment:** Landlord agrees that upon Tenant paying the Rent and performing Tenant's obligations under the Lease, Tenant shall peacefully and quietly have, hold, and enjoy the Premises throughout the Lease Term or until the Lease is terminated pursuant to its terms. Landlord shall not be responsible for the acts or omissions of any third-party that may interfere with Tenant's use and enjoyment of the Premises. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for security purposes only, the Landlord shall be automatically relieved of any and all obligations and liabilities accruing from and after the date of such transfer.

2.1. Subletting or Assignment: Tenant shall not sublet the Premises or any part thereof, nor assign the Lease or any interest therein, without the prior written consent of Landlord, which shall be granted by the Landlord in its reasonable discretion.

2.2. Surrender of the Premises: Tenant will return the Premises to Landlord at the expiration of the Lease Term in as good order and repair as when Tenant took possession, loss by casualty and normal wear and tear excepted.

2.3. Removal of Fixtures/Redelivery: Tenant shall remove, at the termination of the Lease, provided Tenant is not in Default, Tenant's moveable trade fixtures and other items of personal property that are not permanently affixed to the Premises. Tenant shall remove the alterations and additions and signs made by Tenant as Landlord may request and repair any damage caused by such removal. Tenant shall peaceably yield up the Premises and all alterations and additions thereto (except such as Landlord has requested Tenant to remove), and all fixtures and equipment that are permanently affixed to the Premises which shall thereupon become the property of the Landlord. Any personal property of Tenant not removed within thirty (30) days following such termination shall, at Landlord's option, become the property of Landlord. All non-removable trade fixtures and all other improvements constructed by Tenant on the Premises shall without compensation to the Tenant become the property of Landlord at the termination of the Lease for any reason.

ARTICLE 3 **PAYMENTS**

3.1. Payments: Payments shall be deemed received only when actually received by, Landlord at the Payment Location.

3.2. Intentionally Omitted.

3.3. No Offset: No assent, express or implied, to any Default of any one or more of the agreements hereof shall be deemed or taken to be a waiver of any succeeding or other Default. The covenants set forth in the Lease are independent.

3.4. Joint and Several Obligations of Tenant: In the event that Tenant is comprised of more than one person, it is expressly understood and agreed that each person comprising Tenant is jointly and severally liable for any and all obligations of Tenant in the Lease. This means that all persons comprising Tenant are each, together and separately, responsible for all of Tenant's obligations.

ARTICLE 4 **INTENTIONALLY OMITTED**

ARTICLE 5 **REPAIRS AND MAINTENANCE**

5.1. Landlord's Obligation to Maintain and Repair: So long as Tenant is not in default under the terms of this Lease, Landlord covenants and agrees to maintain, repair, replace, and keep the Premises in good, safe and sanitary condition, order and repair and in accordance with all applicable laws, ordinances, orders, rules and regulations of governmental authorities having jurisdiction; to pay all costs and expenses in connection therewith; provided that if any repair, replacement, or restoration is necessitated by any negligent act or omission of Tenant, or any of Tenant's officers, employees agents, guests, or invitees, all costs and expenses incurred by Landlord in connection therewith shall be payable by Tenant immediately upon written request therefor by Landlord.

5.2. Landlord's Services: All operating costs and taxes related to the Premises shall be the responsibility of the Landlord. Additionally, so long as Tenant is not in default under the terms of this Lease, Landlord shall furnish the following services:

- a) Snow removal – the access road and main drive lanes in the parking lot will be plowed within 48 hours of a storm with snow total of six inches or greater.

ARTICLE 6
DEFAULT, NOTICE AND REMEDIES

6.1. **Default:** If Tenant is in arrears in the payment of any installment of Rent or is in violation of any other material covenants or agreements set forth in the Lease (a “**Default**”) and the Default remains uncorrected for a period of thirty (30) days after Landlord has given written notice thereof pursuant to applicable law, then Landlord may, at its option, undertake any of the following remedies without limitation: (a) terminate Tenant’s right to possession of the Premises and reenter and repossess the Premises pursuant to applicable provisions of the Colorado Forcible Entry and Unlawful Detainer statute; and (b) pursue any and all available remedies in law or equity.

ARTICLE 7
INSURANCE AND INDEMNIFICATION

7.1. **Negligent Damages:** Tenant shall be responsible for and reimburse Landlord for any and all damages to the Premises and persons and property therein caused by the negligent, acts of itself, its employees, agents, invitees, licensees, or contractors.

7.2. **Liability Indemnification:** Tenant shall indemnify, defend, and hold Landlord harmless from all injury, loss, claims, or damage to any person or property but only to the extent arising out of Tenant’s negligent acts or omissions on the Premises.

7.3. **Maintenance of Insurance:** Tenant shall procure and maintain insurance for its property stored on the Premises. Tenant will deliver to Landlord the certificates of insurance in a form satisfactory to Landlord.

7.4. **Intentionally Omitted.**

7.5. **Intentionally Omitted.**

7.6. **Landlord Insurance:** Insurance may be procured by Landlord in its sole discretion and cost.

7.7. **Intentionally Omitted.**

7.8. **Environmental Indemnification:** Tenant shall protect, indemnify, defend, and hold Landlord harmless from and against any and all loss, injury, damage, cost, expense and liability (including without limitation reasonable attorneys’ fees and costs) directly or indirectly arising out of or attributable to the presence, release, spill, discharge, leak, disposal, or emission of any Hazardous Materials on, under or about the Premises, and / or any Environmental Liability (defined in Exhibit A), including without limitation: (1) all actual damages; (2) the costs of any required or necessary repair, remediation or detoxification of the Premises or abutting property; and (3) the preparation and implementation of any closure, remedial or other required plans; provided, however, that this indemnity shall not include Hazardous Materials which existed on the Premises prior to the Commencement Date. The indemnity evidenced hereby shall survive the termination of the Lease and the exercise of any other remedy.

ARTICLE 8
OTHER PROVISIONS

8.1. **Destruction, or Condemnation of Premises:** Landlord’s and Tenant’s duties and responsibilities are as follows when destruction or condemnation of the Premises occurs:

(a) **Partial or Total Destruction of the Premises:** In case of partial or total destruction of the Premises by fire, or other casualty, Tenant, provided it receives proceeds from its insurance policy, shall repair the Premises to the extent insurance proceeds are available. Tenant shall not be responsible for payment of Rent during the period of repair.

(b) Condemnation: If the whole or part of the Premises are taken by any authority for any public or quasi-public use, or purpose, then Subparagraph (c) of this Section shall apply if more than ten percent (10%) of the Premises are taken. If the Lease is not otherwise terminated pursuant to Subsection (c), the Rent shall be reduced in proportion to the reduction in the floor area of the Premises. Tenant shall have an ongoing right to join or file its own suit for condemnation compensation.

(c) Termination of Term: Where the whole of the Premises have been taken due to condemnation as described in Subparagraph (b) of this Section, the Term of the Lease shall cease and terminate upon the date that possession of the Premises is taken by the authority. Rent shall be prorated and payable up to the time of the casualty event. If a part of the Premises are taken due to condemnation, Tenant shall determine whether it may reasonably continue to conduct its business after the taking. The parties will mutually determine any reduction in rent, as appropriate. If Tenant is unable to conduct its business as a result of a partial taking, the Lease shall terminate and the Security Deposit, if any, shall be returned to Tenant. Tenant may, to the extent allowed by law, seek compensation from the condemning authority for the value of the loss of its leasehold and leasehold improvements in either a partial or total taking.

8.2. Holdover: Tenant shall vacate the Premises and remove all of Tenant's personal property from the Premises prior to 11:59 p.m. on the date the Lease Term expires. If, after the expiration of the Lease, Tenant shall remain in possession of the Premises and continue to pay Rent without a written agreement as to such possession, then such tenancy shall be regarded as a month-to-month tenancy, at a monthly rate of the last month's Rent paid under the Lease, and subject to all the terms and conditions of the Lease.

8.3. Entry by Landlord: Landlord may enter the Premises during normal business hours for reasonable purposes (such as repairs, inspections, or re-letting to prospective new tenants), upon reasonable prior written notice to Tenant. Landlord may also enter the Premises in the event of emergency, without notice.

8.4. Subordination/Estoppel/Attornment: The Lease shall be subordinate to all existing and future mortgages, deeds of trust, and other security interests on the Premises to which Landlord is a party, and to any and all extensions, renewals, refinancing, and modifications thereof. Tenant shall execute and deliver whatever instruments may be reasonably required for such purposes, or for the purpose of informing a potential or existing lender or purchaser of the Premises as to the status of its tenancy.

8.5. Notices: All notices required or permitted to be sent under the Lease shall be in writing and shall be served on the parties at the addresses set forth below. Any such notices shall be either (a) sent by overnight delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with such courier; (b) sent by email, so long as it is delivered prior to 5:00pm Denver time on such day, or if received after 5:00pm Denver time on such day, on the next business day; or (c) sent by personal delivery, in which case notice shall be deemed delivered upon receipt. A party's address may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Notices given by Tenant's counsel shall be deemed to be given by Tenant and notices given by Landlord's counsel shall be deemed to be given by Landlord.

Notices to Landlord:

Town of Mountain Village
455 Mountain Village Blvd, Suite A
Mountain Village, CO 81435
Attn: Jim Loebe
jloebe@mtnvillage.org

Notices to Tenant:

The Weitz Company, LLC.
4725 S. Monaco Street, Suite 100
Denver, CO 80237
Attn: Laura Eathorne
laura.eathorne@weitz.com

8.6. Attorneys' Fees: In the event of a default by either party under the terms of this Lease, the non-defaulting party shall be entitled to reimbursement of all reasonable costs and expenses incurred by the non-defaulting party in enforcing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

8.7. Governing Law: The Lease shall be governed by and construed in accordance with the laws of the State of Colorado. Venue shall be proper in the County in which the Premises is located.

8.8. Amendments and Termination: Unless otherwise provided in the Lease, the Lease may be amended, modified, or terminated only by a written instrument executed by Landlord and Tenant.

8.9. Headings and Section Titles: The Section titles or headings in the Lease are for convenience only and shall not be deemed to be part of the Lease.

8.10. Pronouns; Joint and Several Use of Certain Terms: Whenever the terms referred to in the Lease are singular, the same shall be deemed to mean the plural, as the context indicates, and vice versa. All references to the "Landlord" shall mean Landlord and/or its authorized agents, contractors, or employees as may be required by the specific context. All references to the "Tenant" shall mean each and every person comprising Tenant, or an individual person, or combination of persons comprising Tenant as may be required by the specific context.

8.11. Waivers: No right under the Lease may be waived except by written instrument executed by the party who is waiving such right. No waiver of any breach of any provision contained in the Lease shall be deemed a waiver of any preceding or succeeding breach of that provision, or of any other provision contained in the Lease. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

8.12. Heirs, Assigns, Successors: The Lease is binding and inures to the benefit of the heirs, assigns, and successors in interest to the parties, subject to the restrictions on assignment in Section 2.1.

8.13. Time of the Essence: Time is of the essence of the Lease, and each and all of its provisions.

8.14. Termination: This Agreement may be terminated by either party upon at least 30 days' advance written notice to the other party.

8.15. Authorization: The Tenant acknowledges and confirms that each individual executing the Lease on behalf of the company represents and warrants that he/she is duly authorized to execute and deliver the Lease.

8.16. Severability: If any term, covenant, condition, or provision of the Lease, or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of the Lease, or the application of such term, or provision to persons, or circumstances other than those to which it is held invalid, or unenforceable, shall not be affected thereby, and each provision of the Lease shall be valid and shall be enforced to the fullest extent permitted by law.

8.17. TABOR Savings Clause: All fiscal obligations of Landlord are subject to annual budgeting and appropriation by the Mountain Village Town Council as required by Colorado law.

[signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed the Lease as of the day and year first above written.

LANDLORD:

TOWN OF MOUNTAIN VILLAGE

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

THE WEITZ COMPANY, LLC

By: Laura Eathorne

Name: General Manager, Weitz

Title: _____

Date: March 10, 2025

EXHIBIT A

DEFINITIONS RELATED TO HAZARDOUS MATERIALS

“Hazardous Materials” means any hazardous, explosive, radioactive, or toxic substance, material or waste which is or becomes regulated by any local government authority, the State of Colorado, or the United States Government including, but not limited to, any material or substance that is: (1) defined as a “hazardous substance,” “hazardous material,” “toxic substance,” “pollutant,” “hazardous waste,” “regulated substance,” or “solid waste” in any Environmental Law (defined below); (2) listed in the U.S. Department of Transportation Hazardous Materials Table, 49 C.F.R. § 172.101, as may be amended from time to time; (3) listed by the U.S. Environmental Protection Agency (“EPA”) (or any successor agency) as hazardous substances, *see* 40 C.F.R. § 301, *et seq.*, as may be amended from time to time; (4) qualified as an “unlisted hazardous substance” pursuant to 40 C.F.R. § 302.4(b), as may be amended from time to time; (5) asbestos; and (6) any petroleum product.


“Environmental Law” means any federal, state or local law, statute, rule, regulation or ordinance pertaining to health, industrial hygiene or the environmental or ecological conditions on, under or about the Premises, including but not limited to each of the following (and their respective successor provisions and all their respective state law counterparts): the *Comprehensive Environmental Response, Compensation and Liability Act* of 1980 (“CERCLA”), as amended, 42 U.S.C. § 9601, *et seq.*; the *Resource Conservation and Recovery Act* of 1976 (“RCRA”), as amended, 42 U.S.C. § 6901, *et seq.*; the *Toxic Substances Control Act* of 1976, as amended, 15 U.S.C. § 2601, *et seq.*; the *Clean Air Act*, as amended, 42 U.S.C. § 7401, *et seq.*; the *Federal Water Pollution Control Act* (a.k.a. “*Clean Water Act*”), as amended, 33 U.S.C. § 1251, *et seq.*; the *Hazardous Materials Transportation Act*, 49 U.S.C. § 5101, *et seq.*; *Solid Waste Disposal Act, Subchapter IX, Regulation of Underground Storage Tanks*, 42 U.S.C. § 6991, *et seq.*; and the rules, regulations and ordinances of the Environmental Protection Agency (EPA) and of all other agencies, boards, commissions and other governmental bodies and officers having jurisdiction over the Premises or the use or operation of the Premises.

“Environmental Liability” means any claim, demand, obligation, cause of action, accusation, allegation, order, violation, damage (including consequential damage), injury, judgment, assessment, penalty, fine, cost of enforcement or remedial action, or any other cost or expense whatsoever, including actual, reasonable attorneys’ fees and costs, resulting from or arising out of the violation or alleged violation of any Environmental Law, any enforcement or remedial action, or any alleged exposure of any person or property (including but not limited to crops and livestock) to any Hazardous Material.

EXHIBIT B

Parking Lease Area

Legend

 Lease Area

