

8/27/18 Ed Vigil took
for recording

ITEM # 18-0959

**LEASE AGREEMENT
BETWEEN THE CITY OF SANTA FE AND SANCHEZ FAMILY ENTERPRISES LLC**

This LEASE AGREEMENT (the Lease Agreement) is made and entered into this 22nd day of AUGUST, 2018, by and between the CITY OF SANTA FE, a municipal corporation (Lessor) and SANCHEZ FAMILY ENTERPRISES LLC (Lessee), a New Mexico limited liability company, whose address is 9800 Glendale Avenue NE, Albuquerque, NM 87122.

WITNESSETH:

In consideration of the Lessee's promises herein, Lessor hereby gives the Lessee a Lease Agreement, revocable and terminable as hereinafter provided, to enter on and make use of the property of the Lessor as follows:

1. PREMISES

Subject to the terms and conditions of this Lease Agreement, Lessor allows Lessee to use and occupy that certain city-owned real property located contiguous to the southerly boundary of 906 S. St. Francis Drive in Santa Fe, New Mexico. The leased real property consists of approximately six thousand, eight hundred, and eighty-two (6,882) square feet of land (the Premises) as more fully described as "CITY of SANTA FE PARCEL" as shown on Exhibit A attached hereto and made a part hereof. Lessee accepts the Premises in its present state and agrees that it is in good condition, without any representation or warranty by Lessor as to the condition of the Premises or as to the use, which may be made thereof.

2. USE OF PREMISES

Lessor agrees to allow the Lessee to use the Premises for the purpose of additional parking and a trash containment area for Lessee's office building at 906 S. St. Francis Drive. No other commercial uses of the Premises shall be allowed except those actions necessary for use and maintenance of the Premises. No sale or display of merchandise and installation of advertising signage shall be permitted. Outdoor lighting, properly permitted and installed in conformance with the City's building code and land development code, may be installed within the Premises at the Lessee's expense. Use of the Premises shall at all times be in compliance with the City's municipal code.

3. EFFECTIVE DATE

This Lease Agreement shall be effective on July 1, 2018 (the Effective Date).

4. LEASE TERM

The term of this Lease Agreement shall commence at 12:00 a.m. on the Effective Date. The term shall consist of an "Initial Term" of fifteen (15) years with one (1) "Optional Additional Term" of fifteen (15) years for a total term of thirty (30) years. The Initial Term and any Optional Additional Terms are hereinafter referred to collectively as the "Term".

Lessee's exercise of any Optional Additional Term(s) is contingent upon compliance with this Lease Agreement and with proper written notice by Lessee to Lessor at least sixty (60) days prior to the expiration of the Initial Term or any Optional Additional Term(s). In the event Lessee shall remain in possession of the Premises after the expiration of the Initial or Optional Additional Term(s) of this Lease, such possession may, at the sole option of Lessor, be continued as a month-to-month tenancy. During any such month-to-month tenancy, the rental fee shall be prorated and

payable on a monthly basis in advance of the first day of each month, and the terms and conditions of the Lease Agreement shall be otherwise applicable.

5. RENT

Rent shall be paid as follows:

A. Base Rent during Initial Term. Lessee shall pay two thousand, four hundred dollars (\$2,400) as annual "Rent". Rent is due on the Effective Date and thereafter due in full each year on the anniversary of the Effective date of this Lease Agreement without notice or demand and without deduction or offset for any cause whatsoever. Lessee shall make payments to the Lessor's cashier office, Room 114, 200 Lincoln Ave., Santa Fe, NM. Base Rent during the Initial Term shall be subject to annual increases in accordance with Section 5.C below.

B. Rent during Optional Additional Term(s). The Rent during any Optional Additional Term(s) of this Lease Agreement shall be calculated by applying a lease yield of ten percent (10%) to the fair market, fee simple value of the Premises as established by a real estate appraisal prepared by an MAI-certified real estate appraiser licensed by the state of New Mexico (the Appraisal) submitted by Lessee to Lessor a minimum of sixty (60) days prior to the commencement of any such Optional Additional Term(s). Notwithstanding the preceding sentence, in no case shall the Rent during any Optional Additional Term(s) be less than the Rent during the last year of the previous term plus two and one-half percent (2.5%). Base Rent during any Optional Additional Term(s) shall be subject to annual increases in accordance with Section 5.C below.

C. Increases in Rent. At the commencement of the second year and every subsequent year of the Initial Term or any Optional Additional Term(s) of this Lease Agreement, the Rent shall be increased by an amount calculated by multiplying the previous year's Rent by two and one-half percent (2.5%).

6. TERMINATION BY LESSOR

Lessor may terminate this Lease Agreement upon Lessee's failure to comply with any provisions contained herein. Prior to termination, Lessor shall hand deliver or mail notice to Lessee via certified or registered mail specifying:

- A. the breach;
- B. the action required to cure the breach;
- C. a date, not less than fifteen (15) days from the date the notice is hand delivered or mailed to Lessee, by which such breach must be cured; and
- D. that failure to cure such breach on or before the date specified in the notice will result in termination of the Lease.

7. NON-ASSIGNMENT SUBLEASE

Lessee shall not further assign, sublease or otherwise transfer this Lease Agreement, without the prior written consent of the Lessor. Any such actions taken by Lessee shall result in the immediate termination of this Lease Agreement.

8. LIABILITY INSURANCE

Lessee shall carry and maintain in full force and effect during the term of this Lease Agreement, public liability insurance covering bodily injury and property damage, in a form and with an insurance company acceptable to Lessor, with limits of coverage not less than as stated in

the New Mexico Torts Claims Act for each person injured and for each accident resulting in damage to property, against all claims and lawsuits arising from the Lessee's use of the Premises. Lessee shall cause the City of Santa Fe to be named as additional insured on such policy of insurance. Prior to this Lease Agreement taking effect and thereafter throughout the term of this Lease Agreement, Lessee shall provide Lessor with certificates of insurance evidencing that the coverage required hereunder is current. Such policy shall provide that the coverage evidenced thereby shall not be terminated or modified without thirty (30) days prior written notice to the Lessor for any reason. A certificate or policy which states that failure to give such notice imposes no obligation on the part of the insurer shall be unacceptable to Lessor, and Lessee shall be responsible for removing such language from such certificate or policy.

9. INDEMNIFICATION

The Lessee shall indemnify, hold harmless and defend the Lessor from all losses, damages, claims or judgments, including payment of all attorney's fees and costs, on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Lessee's use of the premises hereunder, as well as that of any of Lessee's employees, agents, representatives, guests or invitees.

10. REPAIR AND MAINTENANCE

Lessee shall not cause or permit any waste, damage or injury to the Premises. Lessee shall, at its sole expense, keep and maintain the Premises in good condition, reasonable wear and tear excepted, and shall be responsible for payment of all necessary expenses of repairs and replacements that arise during Lessee's use of the Premises.

11. ALTERATIONS AND IMPROVEMENTS

Lessee shall make no alteration, addition or improvements to the Premises for the uses described in Section 2 herein without the prior written consent of the Lessor. Any alterations, additions or improvements made by Lessee after such consent has been given, and any fixtures installed as part thereof, shall become the property of the Lessor upon termination of this Lease Agreement, unless Lessee elects to remove them and restore the Premises to the condition existing prior to the installation of such fixtures, provided, however, that the Lessor shall have the right to require Lessee to remove such fixtures at Lessee's sole expense, upon termination of this Lease Agreement.

12. EASEMENTS

Lessor reserves the exclusive right to grant access, utility or other easements on or through the Premises.

13. NOTICE

Any required notice will be deemed delivered, given and received (i) when personally hand delivered, or (ii) five days after the same are deposited in the United States mail, postage prepaid, registered, addressed to the applicable party at the address indicated below for such party, or at such other address as may be designated by either party in a written notice to the other party:

To Lessor:

City Manager
City of Santa Fe
P. O. Box 909, 200 Lincoln Ave.
Santa Fe, NM 87504-0909

To Lessee:

Sanchez Family Enterprises LLC
c/o Antonio L. Sanchez, Manager
9800 Glendale Avenue NE
Albuquerque, NM 87122

14. NO WAIVER

No waiver of a breach of any of the provisions contained in this Lease Agreement shall be construed to be a waiver of any succeeding breach of the same or any other provisions.

15. SEVERABILITY

In the event that one or more of the provisions contained in this Lease Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

16. ENTIRE LEASE AGREEMENT

The foregoing constitutes the entire Lease Agreement between Lessor and Lessee, represents their entire understanding and defines all of their respective rights, title and interests as well as all of their duties, responsibilities and obligations. Any and all prior Lease Agreements and understandings between the parties are merged herein. This Lease Agreement shall not be modified or amended except by a written document signed by the parties.

17. BINDING EFFECT

This Lease Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective successors and permitted assigns.

18. LITIGATION EXPENSE

In the event of litigation between the parties, the Lessee shall pay any necessary costs, including reasonable attorney's fees, expenses and other costs of collection or otherwise, which the Lessor shall incur in enforcing this Lease or in recovering any and all damages caused to the Premises by Lessee, or Lessee's agents, employees or permitted assigns.

19. RECORDING

This Lease Agreement shall be recorded in its entirety. Lessee shall bear all costs for recording of the Lease Agreement and any other associated costs.

[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.]

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of this 22ND day of AUGUST, 2018.

LESSOR:
CITY OF SANTA FE

[Signature]
ALAN M. WEBBER, MAYOR

ATTEST:

[Signature]
YOLANDA Y. VIGIL, CITY CLERK
cc mtg. 7/11/18

APPROVED AS TO FORM:

[Signature]
GENO I. ZAMORA, INTERIM CITY ATTORNEY

APPROVED:

[Signature]
BRADLEY J. FLUEFSCH, INTERIM FINANCE DIRECTOR
Mary McCoy
BUSINESS UNIT/LINE ITEM:
21117.460150

LESSEE:
SANCHEZ FAMILY ENTERPRISES LLC

[Signature]
ANTONIO L. SANCHEZ, MANAGER

ACKNOWLEDGEMENT

STATE OF NEW MEXICO)

COUNTY OF ~~SANTA FE~~) SS,
Bernalillo MS)

The foregoing instrument was acknowledged before me this 21 day of August 2018, by Antonio L. Sanchez, Manager of Sanchez Family Enterprises LLC.

My Commission Expires: 01-30-2022
(SEAL)

[Signature]
NOTARY PUBLIC

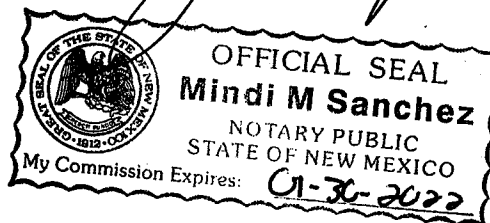


EXHIBIT A

813042

NOTES AND REFERENCE DOCUMENTS

- 1) THE BASIS OF SURVEY FOR THIS PLAT WAS DERIVED FROM A PLAT OF SURVEY FILED IN THE PUBLIC RECORDS OF THE COUNTY OF SANTA FE, NEW MEXICO, BOOK 10, PAGE 10, DATED JANUARY 1, 1987, AND RE-CORRECTED BY A. SCOTT YAGGER, N.E.S., DATED JANUARY 1, 1987, AND RE-CORRECTED ON JANUARY 1, 1988, AND MAY 22, 1991.
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PUBLIC NOTICE

THIS SURVEY IS BASED ON THOSE RECORDS DOCUMENTS NOTED HEREIN. THE CITY OF SANTA FE MUST APPROVE ALL DOCUMENTS SUBMITTED WITH THIS SURVEY. ANY DOCUMENTS NOT APPROVED BY THE CITY OF SANTA FE SHALL BE REJECTED AND NO RECORD SHALL BE MADE OF ANY ADDITIONAL DOCUMENTATION TO PROVIDE LEGAL LOT OF RECORD.

INDEXING INFORMATION FOR COUNTY CLERK

OWNER: Sanchez Family Enterprises, LLC
 Survey Parcel: Sanchez Family Enterprises, LLC
 City of Santa Fe: City of Santa Fe, New Mexico
 Record: 813042
 Page: 112, First Judicial District Court, Santa Fe County
 State of New Mexico, Case No. SF 88-7116

PARCEL U.P.C. 1-433-000-307-411

SANCHEZ FAMILY ENTERPRISES LLC
ENTERPRISES LLC
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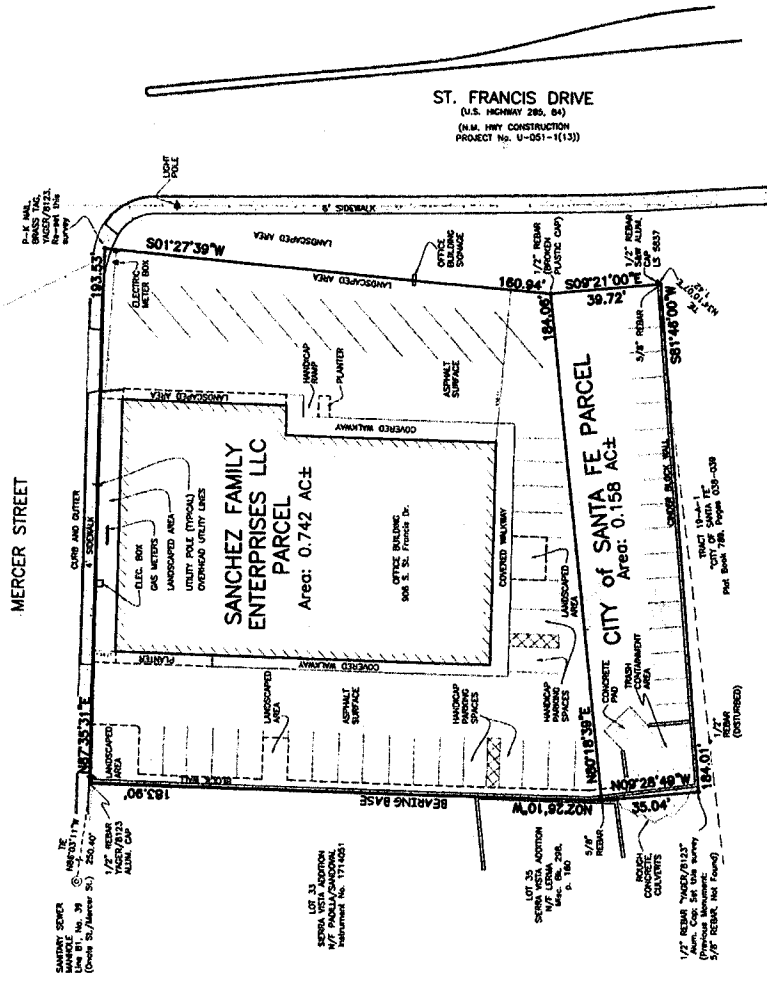
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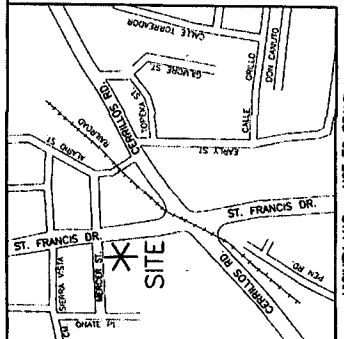
(PROJECTED) SECTION	26
TOWNSHIP	17N
RANGE	9E
MAP	1
SANTA FE COUNTY	1 of 1



COUNTY OF SANTA FE
 STATE OF NEW MEXICO
 I, Scott Yaggar, Surveyor, do hereby certify that the foregoing is a true and correct copy of the original survey as filed in the Public Records of the County of Santa Fe, New Mexico, Book 813042, Page 112.



SURVEYOR CERTIFICATE
 I, Scott Yaggar, Surveyor, do hereby certify that the foregoing is a true and correct copy of the original survey as filed in the Public Records of the County of Santa Fe, New Mexico, Book 813042, Page 112.



LEGEND
 * SURVEY MONUMENT, FOUND, or
 * SURVEY MONUMENT, FOUND, or