

LEASE

THIS LEASE ("**Lease**") is made and entered into this 22 day of July 2014 ("**Effective Date**") between the LAKE COUNTY SCHOOL DISTRICT R-1 ("**Landlord**") and FRIENDS OF TWIN LAKES, INC., a Colorado nonprofit corporation ("**Tenant**").

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, Landlord's real property commonly known as the "Twin Lakes School House" building located at 231 Lang Street, Twin Lakes, Colorado 81251 ("**Leased Premises**")¹ upon the following terms and conditions:

1. Term. The term of this Lease shall be deemed to have commenced as of 12:01 A.M., local time, on the Effective Date, and shall end, subject to earlier termination as hereafter provided, at 11:59 P.M., local time, ten (10) years subsequent to the Effective Date: July 22, 2014

2. Rent. The total Rent to be paid by the Tenant for the full term of this Lease shall be \$50.00. Such sum shall be paid in advance in annual installments of \$5.00 each on or before each anniversary date of the Effective Date of this Lease throughout the term.

3. Quiet Enjoyment. Landlord covenants that upon paying the rent and performing the covenants herein contained, Tenant shall peacefully and quietly have, hold, and enjoy the Leased Premises for the agreed term.

4. Landlord's Personal Property. Tenant has the right to remove and dispose of any of Landlord's personal property not affixed to the Leased Premises and to remove the outdoor slide.

5. Use of Leased Premises. The Leased Premises may be used by the Tenant for Tenant sponsored activities consistent with the mission of the Tenant to preserve historically significant aspects of the area, work with the Forest Service and local governments to improve the quality of life for visitors and residents of the lower Lake Creek Valley and surrounding areas, and for no other purpose without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. Tenant shall comply with all the reasonable rules and regulations that the Landlord may make for the protection of the Leased Premises and with all the laws, ordinances, regulations, rules, and orders of appropriate governmental authorities either now in force or hereafter enacted pertaining to: (i) land use and building and zoning plans, codes, resolutions, and regulations, and (ii) police, fire, sanitary, occupancy, and preservation of the Leased Premises and the sidewalks connected thereto, during the term of this Lease. Tenant shall not, during the term hereof, maintain, commit, or permit the maintenance or commission of any hazard, nuisance or waste on the Leased Premises.

6. Utilities. Tenant shall initiate, contract for, and obtain, in its name, all utility services required on the Leased Premises, and Tenant shall pay all charges for such services as they become due. Landlord shall not be liable for any personal injury or property damage resulting from the negligent operation or faulty installation of utility services provided for use on the Leased Premises,

¹ The legal description of the Leased Premises is: School District Lake CO R-1; property address: 231 Lang Street; Lot 8 Blk 6, Lot 9 Blk 6, Lot 10 Blk 6 and N ½ Lot 11 Blk 6, Twin Lakes.

nor shall Landlord be liable for any injury or damage suffered by Tenant as a result of the failure to make necessary repairs to the utility facilities. Tenant shall be liable for any injury or damages to the equipment or service lines of the utility suppliers that are located on the Leased Premises, resulting from the negligent or deliberate acts of Tenant, or its members, agents or visitors. In particular, Tenant shall be liable for any loss or damage due to freezing, stoppage or blockage of water pipes or plumbing fixtures on the Leased Premises.

7. Taxes.

A. Taxes Defined. As used in this Lease, the term "taxes" shall mean all personal property and real property taxes which may be levied, assessed or imposed arising out of Tenant's occupancy and use of the Leased Premises pursuant to this Lease.

B. Possessory Interests. Pursuant to Section 39-3-105, C.R.S., all real or personal property owned by Landlord is exempt from taxation. However, the parties acknowledge that Tenant's occupancy and use of the Leased Premises pursuant to this Lease may be deemed to be a taxable possessory interest, unless otherwise exempt under the provisions of Section 39-3-101, C.R.S., or other applicable law.

C. Tenant to Pay Taxes. Any taxes lawfully assessed arising from Tenant's occupancy and use of the Leased Premises pursuant to this Lease shall be paid by Tenant, and Tenant shall indemnify and hold Landlord harmless from any such taxes. Any taxes due arising from Tenant's occupancy and use of the Leased Premises pursuant to this Lease shall be paid by Tenant in a timely manner. Prior to the last day for payment of such taxes without penalty or interest, Tenant shall provide to Landlord a photostatic copy of the receipt(s) or cancelled check(s) showing payment of taxes. Tenant may pay any taxes in installments if permitted by law.

8. Alterations and Improvements. Tenant shall make no alterations to the building or the Leased Premises or construct any building or make other improvements to the Leased Premises without the prior written consent of Landlord. All alterations, changes, and improvements built, constructed or placed on the Leased Premises by Tenant, with the exception of fixtures removable without damage to the Leased Premises, and moveable personal property shall, unless otherwise provided by written agreement between Landlord and Tenant, be the property of the Landlord and remain on the Leased Premises at the expiration or sooner termination of this Lease.

9. Assignment and Sublease. Tenant shall not sublet the Leased Premises or any part thereof, or assign this Lease, or any part hereof, without the prior written consent of the Landlord, which consent may be withheld in Landlord's sole and absolute discretion.

10. Maintenance, Repair and Snow Plowing. Tenant shall, at Tenant's sole expense, keep and maintain the Leased Premises and appurtenances in as good and sanitary condition and repair as when the same were entered upon during the term of this Lease. In particular, Tenant shall keep the fixtures and appliances in, or about the Leased Premises in good order and repair; perform all normal maintenance and minor repairs to the Leased Premises and the appurtenances thereto, including fixtures and appliances; and shall make all required repairs whenever damage thereto shall have resulted from Tenant's misuse, waste, or neglect or that of its business invitees, customers, agents or visitors. Maintenance and repair of the Leased Premises (other than normal maintenance and minor repairs) and Landlord's appliances located therein which is not due to Tenant's misuse, waste, or neglect or that of its members, agents or visitors, shall be the

invitees, customers, agents or visitors. Maintenance and repair of the Leased Premises (other than normal maintenance and minor repairs) and Landlord's appliances located therein which is not due to Tenant's misuse, waste, or neglect or that of its members, agents or visitors, shall be the responsibility of Landlord; however, it shall be the responsibility of Tenant to notify the Landlord of any necessity for maintenance or repairs. If Tenant performs or pays for any maintenance and repair work to the Leased Premises or Landlord's appliances therein, Landlord shall be responsible for payment therefor only if the Landlord has consented to such maintenance or repair work in writing prior to performance of the work by Tenant. During the term of this Lease, Tenant, at Tenant's sole expense, shall provide all required maintenance and snow plowing necessary to allow the Leased Premises to be used by Tenant for the use described in Section 4.

11. Cleaning. During the term, Tenant will, at its sole expense, keep the Leased Premises in a neat, clean, and sanitary condition, as the same were entered upon during the term of this lease.

12. Surrender of Leased Premises: Removal of Tenant's Property. At the end of the term of this Lease Tenant shall surrender the Leased Premises to the Landlord in as good a condition as existed at the time of the commencement of this Lease, normal wear and tear excepted. At the end of the term of this Lease Tenant shall remove its property from the Leased Premises. Any property of Tenant's not removed from the Leased Premises by Tenant at the expiration of this Lease shall be considered abandoned and Landlord shall have the right (but not the duty), without any notice to Tenant, to sell or otherwise dispose of the same at the expense of the Tenant and shall not be accountable to the Tenant for any part of the proceeds of such sale, if any.

13. Inspection of Leased Premises. Tenant acknowledges that it has inspected the Leased Premises and is aware of its condition. Tenant accepts the Leased Premises in "AS IS" condition without recourse to Landlord for any dangerous conditions, known or unknown.

14. Access To Leased Premises. Tenant shall permit Landlord, its agents, employees and contractors, to have access to and to enter the Leased Premises at all reasonable and necessary times to inspect the Leased Premises for any purpose connected with the repair, improvement, care and management of the Leased Premises, or for any other purpose reasonably connected with Landlord's interest in the Leased Premises.

15. Liens. Tenant shall not permit the creation of any type of lien upon the Leased Premises, including, but not limited to a mechanic's or materialmen's lien. The indemnification provisions of this Lease shall apply to any such lien. If, because of any act or omission of Tenant, and resulting from Tenant's work on the Leased Premises, any mechanic's or other lien, **charge or order for the payment of money shall be filed against the Leased Premises**, Tenant shall, at its own cost and expense, cause the same to be discharged of record or bonded within thirty (30) days from the filing of such lien.

16. Non-Discrimination; Compliance with Applicable Laws. Tenant shall agree that in its use and occupancy of the Leased Premises pursuant to this Lease it will not discriminate against any person because of race, color, creed, sex, sexual orientation, religion, national origin, or disability. Tenant shall further comply with all applicable federal, state, and local laws, rules and regulations. Without limiting the generality of the foregoing, Tenant shall comply as applicable with the Americans With Disabilities Act, 42 U.S.C. §12101, et seq (Public Law 101-336), and all applicable regulations and rules promulgated thereunder by any regulatory agency. The indemnification and termination provisions of this Lease shall apply with respect to tenant's failure to comply with all applicable laws or regulations.

17. Hazardous Materials. Tenant shall not store or permit the storage on the Leased Premises of any type of hazardous or similar material which is regulated by federal, state or local regulation. Landlord is responsible for any existing hazardous materials or environmental conditions existing prior to the commencement of the Lease.

18. Damage To Leased Premises. If the Leased Premises, or any part thereof, shall be partially damaged by fire or other casualty not due to Tenant's negligence or willful act or that of its invitees, agents, or visitors, or other allowed users of the Leased Premises shall, within a reasonable time after notice of such damage, be repaired by Landlord and there shall be an abatement of rent corresponding with the time during which, and the extent to which, the Leased Premises may have been untenable. If the Leased Premises should be damaged, other than by Tenant's negligence or willful act or that of its members, agents or visitors, to the extent that Landlord shall decide not to rebuild or repair, the term of this Lease shall end and the rent shall be prorated up to the time of the damage. If the Leased Premises, or any part thereof, shall be damaged by fire or other casualty due to Tenant's negligence or willful act or that of its customers, business invitees, agents, or visitors this term of this Lease shall end effective upon such date as Landlord shall designate, and Tenant shall be liable to Landlord for the damages caused by such negligence or willful act.

19. Tenant Default. Tenant shall be in default under this Lease if Tenant fails to comply with any of the terms, provisions, or covenants of this Lease within thirty (30) days following services of a demand for compliance notice by Landlord in accordance with Colorado law.

20. Landlord's Remedies Upon Default. If the Tenant is in default under this Lease, Landlord shall have all of the remedies provided for in such circumstances by Colorado law, including without limitation, the right to terminate this Lease by written notice to Tenant, in which event Tenant shall immediately surrender the Leased Premises to Landlord and, if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Leased Premises and expel or evict Tenant and any other person who may be occupying the Leased Premises or any part thereof, by force if necessary, without being liable for any claim for damages therefor.

21. Holdover by Tenant. Should Tenant remain in possession of the Leased Premises with the consent of Landlord after the natural expiration of this Lease, a new tenancy from month to month shall be created between Landlord and Tenant which shall be subject to all the terms and conditions hereof, but shall be terminable on thirty(30) days' written notice served by either Landlord or Tenant on the other party.

22. Termination of the Lease by Tenant or Landlord. Either party to the Lease may terminate the Lease upon ninety (90) days written notice to the other party without liability for breach of this Lease.

23. Surrender Of The Leased Premises. At the expiration of the Lease term, Tenant shall quit and surrender the Leased Premises in as a good state and condition as they were at the commencement of this Lease, reasonable use and wear thereof and damages to the exterior by the elements excepted. Subject to the provisions of Section 26 of this Lease any personal property of Tenant's not removed by Tenant at the expiration of this Lease shall be considered abandoned and Landlord shall have the right, without any notice to Tenant, to sell or otherwise dispose of the same at the expense of the Tenant and shall not be accountable to the Tenant for any part of the proceeds of such sale, if any.

24. Insurance.

24.1 Tenant shall procure and maintain commercial general liability insurance with minimum combined single limits of not less than One Million Dollars (\$1,000,000). Such coverages shall be procured and maintained with forms and insurers acceptable to the Landlord. All coverages shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by Tenant pursuant to Section 24 of this Lease. In the case of any claims-made policy, the necessary retroactive damages and extended reporting periods shall be procured to maintain such continuous coverages.

24.2. The commercial general liability insurance policy required by Subsection 24.1, above, shall be endorsed to include the Landlord as an additional insured. Every policy required above shall be primary insurance, and any insurance carried by Landlord, its officers, or its employees, shall be excess and not contributory insurance to that provided by Tenant. Tenant shall be solely responsible for any deductible losses under any policy required above.

24.3. A certificate of insurance, and the required policy endorsement, shall be completed by Tenant's insurance agent and provided to the Landlord as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect and shall be reviewed and approved by Landlord prior to commencement of the term of this Lease. The certificate shall identify this Lease and shall provide that the coverages afforded under the policies shall not be canceled or terminated until at least fourteen (14) days' prior written notice has been given to Landlord. The completed certificate of insurance shall be sent to:

Lake County School District
107 Spruce Street
Leadville, Colorado 80461
Attention: Noreen Flores

24.4. Notwithstanding any other portion of this Lease, failure on the part of Tenant to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of this Lease for which Landlord may immediately terminate this Lease, or, at its discretion, Landlord may procure or renew any such policy or any extended reporting period thereto, and may pay any and all premiums in connection therewith, and all monies so paid by Landlord shall be repaid by Tenant to Landlord upon demand.

25. No Waiver of Governmental Immunity. The parties hereto understand and agree that Landlord is relying on, and does not waive or intend to waive by any provision of this Lease, the monetary limitations, or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, et seq. C.R.S., as from time to time amended, or any other limitation or defense otherwise available to Landlord, its officers, or its employees.

26. Indemnification. Tenant agrees to indemnify and hold harmless Landlord, its officers, and employees from and against all liability, claims, and demands, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, that occur on the Leased Premises and arise out of or are in any manner connected with Tenant's occupancy of the Leased Premises pursuant to this Lease. Tenant agrees to investigate, handle, respond to, and to provide defense for and defend against any such liability, claim, or demand at the sole expense of Tenant. Tenant also agrees to bear all other reasonable costs and expenses related thereto, including court costs and attorney's fees, except as otherwise provided herein.

27. Non-liability of Landlord. Tenant releases Landlord, and the representatives, agent, and employees of Landlord, from any and all liability for any injury or damage to Tenant, or to Tenant's property located on or about the Leased Premises, resulting from any cause whatsoever, except injury or damage resulting from the gross negligence or willful act of Landlord, or the representatives, agents, and employees of Landlord.

28. Landlord's Lien and Security Interest. Landlord shall have at all times a security interest and a lien for all rent and other sums becoming due hereunder from Tenant upon all personal property of Tenant located in the Leased Premises, and such property shall not be removed without the consent of Landlord until all arrearages in rent and other sums then due to Landlord shall first have been paid. Upon the occurrence of any event of default by Tenant, Landlord may foreclose its security interest and lien in the manner provided by law for the foreclosure of a security interest. Tenant agrees upon demand by Landlord to execute and deliver to Landlord a financing statement and security agreement in a form legally sufficient to perfect the security interest in the lien granted to Landlord pursuant to this Section.

29. Abandonment. If, at any time during the term of this Lease, Tenant abandons the Leased Premises, Landlord may, at its option, and with or without terminating this Lease, enter the Leased Premises by any means without being liable for any prosecution therefor, and without becoming liable to Tenant for damages or for any payment of any kind whatsoever, and may, at Landlord's discretion, retake possession and make such changes and repair as may be required, relet the Leased Premises for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at Landlord's option, hold Tenant liable for any difference between the rent that would have been payable under this Lease during the balance of the unexpired term, and the net rent for such period realized by Landlord by means of such reletting, less all expenses of such changes and repairs.

30. Notice of Intent to Sell. Landlord shall provide notice of the intent to sell property at least thirty (30) days prior to entering into a signed contract to sell the Leased Premises to a third party.

31. Attorney's Fees. Tenant shall pay all reasonable attorneys' fees and costs on behalf of Landlord if any action brought by the Landlord results in a final court ruling or stipulated settlement in favor of the Landlord and if:

(a) Landlord retains an attorney to institute litigation against Tenant for a breach of the terms and conditions of the Lease;

(b) Landlord retains an attorney to institute litigation against Tenant for unlawful detainer of the Leased Premises; or

(c) Landlord is made party to litigation against Tenant, or by reason of its ownership of the Leased Premises, which is instituted a third party, wherein Landlord is not at fault either actually or by reason of the responsibilities and liabilities assumed by Tenant in this Lease and judgment is rendered against the Tenant in a final court ruling or stipulated settlement in favor of the third party.

32. Notices. Any notices required or permitted hereunder shall be sufficient if personally delivered or if sent by certified mail, return receipt requested, addressed as follows:

If To Landlord:

Lake County School District
107 Spruce Street
Leadville, Colorado 80461

If To Tenant:

Friends of Twin Lakes, Inc.
70 County Road 26
Twin Lakes, Colorado 81251

Notices mailed in accordance with the provisions of this Section shall be effective on the seventh day following certified mail delivery. Notices personally delivered shall be effective upon delivery. Nothing herein shall prohibit the giving of notice in the manner provided for in the Colorado Rules of Civil Procedure for service of civil process.

33. Time Of Essence. Time is of the essence of this Lease.

34. No Partnership. Notwithstanding anything contained in this Lease to the contrary, it is expressly understood and agreed that the Landlord shall not be construed or held to be a partner, associate, or joint venturer of Tenant in the conduct of its business.

35. Third Parties. This Lease does not, and shall not be deemed or construed to, confer upon or grant to any third party (except a party to whom the Tenant may assign this Lease in accordance with the terms hereof) any right to claim damages or to bring suit, action or other

proceeding against the Landlord because of any breach hereof or because of any of the terms, covenants, agreements and conditions herein.

36. Complete Agreement. It is understood and agreed that this Lease contains the complete and final expression of the agreement between the parties as to the subject matter of this Lease and that there are no promises, representations, or inducements except as are herein set forth.

37. Modification. This Lease may be modified or amended only by a duly authorized written instrument executed by the parties hereto. Oral amendments to this Lease are not permitted.

38. Applicable Law. This Lease shall be interpreted in all respects in accordance with the laws of the State of Colorado without regard to its conflict of laws rules. The parties agree to the jurisdiction and venue of the courts of Lake County, Colorado in connection with any dispute arising out of or in any matter connected with this Lease.

39. Counterparts. This Lease may be executed simultaneously in two or more counterparts, each of which shall be considered an original for all purposes and all of which together shall constitute but one and the same instrument.

39. Section Headings. Section headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this Lease.

40. Waiver. The failure of either party to exercise any of its rights under this Lease shall not be a waiver of those rights. A party waives only those rights specified in writing and signed by the party waiving its rights.

41. No Recording. This Lease **MAY NOT** be recorded in the real property records of the Clerk and Recorder of Lake County, Colorado.

42. Survival of indemnity Obligations. All indemnity obligations provided for in this Lease shall survive the expiration or termination of this Lease and shall be fully enforceable for a reasonable and foreseeable time thereafter, notwithstanding the expiration or termination of this Lease.

43. Binding Effect. This Lease shall be binding upon, and shall inure to the benefit of the parties, and their respective successors and permitted assigns.


44. Copy of Agreement. Both parties hereby acknowledge receipt of a complete and signed copy of this Lease.

LANDLORD:

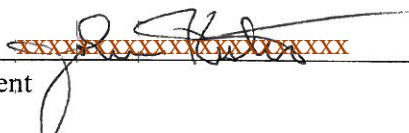
BOARD OF EDUCATION OF LAKE COUNTY
SCHOOL DISTRICT R-1

By: ~~XXXXXXXXXXXXXXXXXXXX~~ 
President

ATTEST:

~~XXXXXXXXXXXXXXXXXXXX~~ 
Secretary

TENANT:
FRIENDS OF TWIN LAKES, INC. (a Colorado
non-profit corporation)

By: ~~XXXXXXXXXXXXXXXXXXXX~~ 
President