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Linda J. Daley
Laplata County, CO

LEASE AGREEMENT

THIS LEASE ("Lease") made between OXFORD GRANGE #482 ("Grange") and LOS PINOS FIRE PROTECTION DISTRICT ("District").

WITNESSETH :

WHEREAS, District is a duly and regularly created, organized and existing political subdivision of the State of Colorado ("State") and body corporate, existing as such under and by virtue of the constitution, statutes and laws of the State; and

WHEREAS, the Board of Directors (Board) of the District is authorized, pursuant to the laws of the State, to enter into lease agreements to provide for the construction and operation of fire stations; and

WHEREAS, Grange is the owner of certain real property in La Plata County, Colorado located on State Highway 172 in the Oxford area which is suitable for the construction and operation of a fire station which will also serve as a meeting facility for the Grange; and

WHEREAS, the parties have agreed to the terms and conditions of the lease arrangement for the Property which is more fully set forth below.

NOW THEREFORE, in consideration of the foregoing, it is agreed as follows:

1. Lease of Premises and Rental Payments. In consideration of a single payment of the sum of ten dollars rent at the time this lease commences and the keeping and performance of the covenants and agreements by District hereinafter set forth, Grange hereby leases unto District the following described premises, situate in the County of La Plata, State of Colorado, to-wit:

See Exhibit A attached hereto and incorporated herein by reference.

Together with all buildings and improvements thereon, whether now existing or hereafter constructed (hereinafter the "Leased Property")

TO HAVE AND TO HOLD the same with all the appurtenances by District for a period of ninety-nine (99) years commencing on the 16th day of June, 2003, until the 16th day of June, 2102.

2. Covenants of District. District, in consideration of the leasing of said premises, covenants and agrees as follows:

(a) To construct a five bay fire station with approximately 2,000 square feet of offices and meeting rooms (the "Oxford Fire Station"). The District will be responsible for designing the Oxford Fire Station, with input from a spokesperson designated by the Grange to insure the meeting room in the Oxford Fire Station meets the reasonable requirement of the Grange for its meetings and activities. District will also be responsible for obtaining all necessary

approvals and permits. The Oxford Fire Station shall be completed and ready for use on or before July 1, 2004. Any delays in completing construction which are not the fault of District shall automatically extend the completion date by a comparable time period.

(b) District agrees that the Oxford Fire Station will have a meeting room of not less than 1600 square feet suitable for the Grange to hold meetings and other Grange functions. District agrees to allow Grange to use the facilities without charge subject to reasonable scheduling requirements for District meetings, training and other District related activities and reasonable requirements established by the District for use of the facilities for all non-District activities including cleaning, damage repairs and utility reimbursement.

(c) To not assign this Lease or any interest herein without the written consent of Grange being first obtained, which consent shall not be unreasonably withheld;

(d) To use the Leased Property for no purpose prohibited by the laws of the United States, or the State of Colorado, or the ordinances of the County of La Plata, and for no improper or questionable purpose whatsoever;

(e) To keep the Leased Property clean and in the sanitary condition required by the ordinances and the health and police regulations of the said County of La Plata and State of Colorado;

(f) To neither permit nor suffer any disorderly conduct, noise, or nuisance whatever about the Leased Property having a tendency to annoy or disturb any persons occupying adjacent Leased Property;

(g) To allow Grange, at any reasonable hour of the day, to enter into or upon and go through and view the Leased Property;

(h) To keep the sidewalks and parking lots free from ice and snow and all litter, debris and obstructions;

(i) District agrees that they shall keep their fixtures, inventory and equipment insured against loss, loss of business or damage by fire or other casualty. It is understood and agreed that District assumes all risk of damage or loss to their own property arising from any cause whatsoever;

(j) District accepts the Leased Property in its present, "as is" condition and, except as provided in Paragraph 3(a), shall maintain the Leased Property in good order, condition and repair at its expense.

3. Covenants of Grange. Grange, in consideration of the leasing of the premises, covenants and agrees as follows:

(a) To allow District to dismantle the existing improvements on the Leased Property. Grange shall have the right to any salvage from the improvements, provided District is not unreasonably delayed in demolition operations and provided Grange representatives are adequately insured in conducting such operations.

(b) To cooperate with the District in the construction of the Oxford Fire Station by executing any applications or other documents necessary to enable the District to obtain necessary approvals for the construction of the Oxford Fire Station.

4. Payment of Utilities by District. During the term of this Lease, District shall pay for all utility services, including gas, electricity, domestic water, sewer, trash disposal and all other utility services furnished to District for the premises. District shall pay such amounts promptly as and when billed for the same by the utility provider.

5. Taxes and Other Charges. The District will pay, as the same respectively becomes due, all taxes, special assessments and government charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the leased property or any furnishings, equipment or other property installed or brought by the District therein or thereon, including sales, use and other excise taxes, and all claims for rent, royalties, labor, materials, supplies, utilities, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the leased property.

6. Insurance.

* (a) Fire and Extended Coverage Insurance. So long as this lease is in effect, the District shall obtain and maintain in force fire and extended coverage insurance on the Oxford Fire Station and all other structures, improvements, fixtures and equipment on a replacement cost basis to the extent of the full insurable value of the property to be insured.

(b) Public Liability Insurance. The District shall carry public liability insurance with reference to the Leased Property in amounts equal to the District's liability limits under the Colorado Governmental Immunity Act. The Grange shall be named as an additional insured under any such policy.

(c) Workers Compensation Insurance. To the extent required by law, District shall maintain workers' compensation coverage for District volunteers and employees.

(d) Additional Provisions Concerning Insurance. All insurance policies required hereunder shall be written or endorsed as to make losses, if any, payable to the Grange and the District as their respective interests may appear. Each policy shall contain a provision to the effect that the insurance company shall not cancel the same without first giving written notice thereof to the Grange at least 30 days in advance of such cancellation. District shall deliver to the Grange copies of certificates of insurance for each policy required hereunder and agrees to keep such certificates up to date.

Copies of Insurance to Grange.

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(e) Limitations. Notwithstanding the foregoing, District shall not be required to insure the Grange, its activities, members or employees.

7. Expansion. In the event either party desires to expand the facility, that party shall pay the costs of the expansion. No expansion shall be designed or constructed in a manner which reduces or impairs the ability of the other party to utilize the Premises.

8. Damage or Destruction of the Premises.

(a) District's Obligation to Rebuild. If the Premises are damaged or destroyed, District shall make reasonable efforts to promptly and diligently repair the Premises unless it has the right to terminate this Lease as provided in subparagraph (b) of this Paragraph and it elects to so terminate.

(b) Right to Terminate. District shall have the right to terminate this Lease following damage to the extent of 25% or more of then present value of the Premises.

If District elects to terminate this Lease, District shall give Grange written notice of its election to terminate within thirty (30) days after it has knowledge of such damage or destruction, and this Lease shall terminate fifteen (15) days after the date Grange receives such notice. If District does not elect to terminate the Lease, District shall, promptly following the date of such damage or destruction, commence the process of obtaining necessary permits and approvals, and shall commence repair of the Premises as soon as practicable and thereafter prosecute the same diligently to completion, in which event this Lease will continue in full force and effect.

(c) Cooperation. If all or any portion of the Premises are substantially rebuilt as a result of destruction of or damage to the Premises, the parties agree to cooperate in the design and specifications for such repairs.

(d) Exclusive Remedy. Paragraph 7 contains the sole and exclusive remedies in the event of damage or destruction to the Premises and the proper exercise of the election to terminate by either party as set forth in this Paragraph.

(e) Release Upon Termination. Upon any termination of this Lease pursuant to this Paragraph 7, District and Grange hereby agree to release each other from any and all obligations and liabilities with respect to this Lease except such obligations and liabilities which arise or accrue prior to such termination.

9. Ownership of Fixtures and Improvements. Grange shall own all alterations, improvements, and fixtures made, purchased, or attached to the Leased Property upon termination of this Lease. District shall have the right to remove all District's personal property at the end of the Lease term or any renewal thereof, so long as their removal does not materially damage the premises.

10. Default. It is expressly understood and agreed by the parties that if District shall be in default of any of its covenants or agreements provided herein, Grange shall give to District thirty (30) days' written notice to undertake the performance which will cure any default. If District has not commenced within the thirty (30) day period to cure and correct any default, it shall be lawful for Grange to declare this Lease ended, and enter into the premises, or any part thereof, either with or without process of law, and to expel, remove, and put out District or any persons occupying same, using reasonable force to repossess and enjoy, as in the first and former estate of the Grange. And if at any time said term of the Lease shall be ended as aforesaid or in any other way, District hereby covenants and agrees to surrender and deliver up the premises peaceably to Grange, immediately upon the termination of said terms, and if the District shall remain in possession of the same after the termination thereof, said District shall be deemed guilty of a forcible detainer of said premises under applicable law subject, however, to the holding over provisions provided herein.

11. Cooperative Agreement. The parties agree to cooperate in developing a policy concerning use of the facilities by other groups. The policy will include provisions concerning scheduling, fees, deposits, cleanups, and cleaning. In addition, the agreement will establish responsibility for maintenance of landscaping and construction and maintenance of any memorials or rest areas that will be established on the property.

12. Miscellaneous Provisions.

(a) Binding Effect. It is expressly understood and agreed that all the covenants and agreements contained in this Lease shall extend to and be binding upon the successors and assigns of the respective parties hereto.

(b) No Partnership or Joint Venture. Nothing contained in this Lease shall constitute or be construed to be a partnership or joint venture between Grange and District.

(c) Amendment. This Lease cannot be changed or modified except by a written agreement signed by the party sought to be charged therewith.

(d) Attorney Fees. In the event suit is brought by either party on account of this Lease, the prevailing party shall be entitled to reasonable attorney fees.

(e) Headings. The headings throughout this Lease are for convenience and reference only and shall in no way be deemed to define, limit, or add to the meaning of any provision of this Lease.

(f) Waiver. It is further agreed that no assent, expressed or implied, to any breach of any one or more of the covenants or agreements hereof shall be deemed or taken to be a waiver of any succeeding or other breach.

(g) Governing Law. This Lease shall be governed by and shall be construed in accordance with the laws of the State of Colorado.

EXHIBIT A

Lease Agreement between OXFORD GRANGE #482 and LOS PINOS FIRE PROTECTION DISTRICT

A tract of land in the SW¼ of Section 22, Township 34 North, Range 8 West, N.M.P.M. shown as the "Grange" on the Horn Minor Exemption Subdivision Plat recorded January 10, 1994 at Reception No. 661004 of the records of the La Plata County Clerk and Recorder, also known as La Plata County Assessor Parcel No. 590322300256